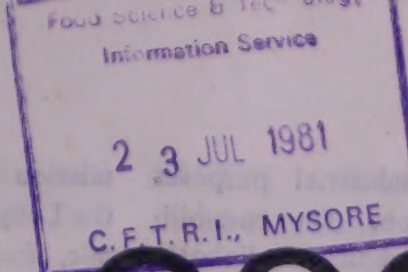


ECONOMIC & COMMERCIAL NEWS

Vol 11, 1881

HC 393



Vol. XI, No. 27, July 4, 1981, New Delhi, India.

economic and commercial news

News Highlights

Indian Firm Awarded Nigerian Paper Project

An Indian firm, M/s Birla Brothers has been chosen by Nigeria to build and run its second paper and pulp mill—the two pin Paper and Pulp complex, near Lagos. It will act as technical consultant and manager to the project. The firm is already managing a paper mill in Jebba in that country. The total cost of the two projects is US \$ 1,000 million. As in the Jebba plant, the firm will be responsible for the Two pin plant from the conception stage to commissioning. Thereafter it will take care of the production.

Indian Firm to Provide Technology for Cuban Drug Plant

M/s Sarabhai Chemicals is to provide technology for setting up a UNIDO sponsored multipurpose bulk pharmaceuticals plant in Cuba. Technical collaboration covers manufacture of 15 synthetic drugs, most of which were developed at the Sarabhai Research Centre (SRC), Baroda. Besides technology, SRC will also provide equipment for processes, services and the

Export Performance and Potential

Strengthening Indo-GDR Economic and Commercial Ties

The fourth session of the Indo-GDR Joint Commission on Economic, Scientific and Technical Cooperation was held recently in New Delhi. The Protocol of the session was signed by the Co-Chairman of the Joint Commission, the Union Minister of State for Industry, Dr. Charanjit Chanana and Dr. Gerhard Weiss, Deputy Chairman of the Government Council of Ministers of the Government of the German Democratic Republic.

The Ministers reviewed the progress of implementation of decisions taken at the third session held at Berlin in December 1971 and at the meetings of the various Working Groups held in December 1979 and reaffirmed their desire to further intensify economic, industrial scientific and technological cooperation on the basis of long-term agreement signed in January 1979 when Mr. Eric Honecker, General Secretary of the Socialist Unity Party of GDR and the Chairman of the Council of State visited India. Both sides agreed to make even greater efforts to increase the exchange of goods under the agreement concluded, on the basis of the principle of most-favoured nation treatment and mutual advantage.

Discussions were held under six Working groups representing industry, trade, agriculture, science and technology and chemicals. It was agreed to explore the possibilities of GDR providing technical collaboration for implementation of projects in Gujarat and Rajasthan for the mining of

laboratory and assistance in the installation and commissioning of the plant in Cuba.

Export Duty on Coffee Goes

Having regard to the recent fall in international prices of coffee, the Central Government have decided to exempt coffee from the whole of the export duty leviable thereon with effect from June 19, 1981.

Central Advisory Council for Industries

The Government of India has appointed persons from the public and private sector as members of the Central Advisory Council for a period of two years with effect from June 1, 1981. The twenty-eight member Council will be headed by the Union Industry Minister, Dr. Charanjit Chana.

Commanding Heights of Public Sector

Public sector enterprises in India have grown enormously. Their investment by way of equity capital plus loans has shot up from Rs. 290 million at the commencement of the First Five Year Plan in 1951 to nearly 180,000 million. The activities of the public sector are now spread over a wide spectrum of core sector and strategic industries including more than 35 per cent contribution to exports. This sector has contributed to socialising the means of production, has developed a wide range of skills and also has generated rich employment.

Contents

Export Performance and Potential	
Strengthening Indo-GDR Economic and Commercial Ties	1
IRCON Bags High-Value Iraqi Contract	3
Export Orders Secured from Japanese Department Store	3
Uptrend in Gem and Jewellery Exports	3
Indo-Thai Trade Trends	4
Review of India's Trade with West Asia and North Africa	4
Industrial Growth and Diversification	
Raising Capacity of Steel Plants	5
Trends in Industrial Production	6
Performance of Heavy Industry Units	7
Step-up in Approved Foreign Collaborations	7
Hike in Cargo Traffic at Major Ports	7
Science and Technology	
APPLE Launched from French Guyana	8
Population : Decisive Decades Ahead	

Material received from various sources is published in this weekly in the interest to export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this journal.

lignite for both industrial purposes and power generation. The possibilities of obtaining technical collaboration in the fields of machine tools, agricultural machinery, textile machinery and high voltage testing equipment from GDR were identified. The Hindustan Machine Tools and GDR are to examine proposals for the establishment of a school of graphic arts in India.

It was agreed by the two sides to expand and diversify the two-way transfer of technology. The objective will be to ensure that the latest and most relevant technology would be inter-changed for the mutual benefit of both the countries. It was also recognised that the two sides should jointly apply themselves to the development of technologies for importing mutually beneficial technologies from other sources, if necessary.

It was agreed that efforts should be made for increasing the supply of industrial machinery and engineering goods from India to GDR particularly in the field of textile machinery.

Both sides mutually agreed to expand cooperation in the field of computer systems, accounting machines and production of optical components and instruments. Several new areas of cooperation in the fields of chemicals and drugs have also been identified. Both sides also agreed to examine the means for an effective implementation of future programmes of cooperation between the two countries in the field of science and technology.

With a view to effective economic cooperation in terms of the Agreement between the Planning Commission of India and the State Planning Com-

mission of GDR signed in 1974 and the Long-term Agreement on Economic, Industrial, Scientific and Technological Cooperation signed in January 1979, the two sides to exchange information on their respective planning processes and to set up a group of planning experts within the framework of the Joint Commission.

There has already been significant cooperation between the two sides on specific third country projects. A number of such projects are already under implementation and several other projects have been identified in which Indian firms are negotiating with the counterpart organisations in GDR in respect of countries such as Angola, Algeria and Iraq. The two sides decided to give an active and positive thrust to the implementation of such projects.

Arrangements were agreed upon for the continuous monitoring of the decision and proposals set out in the agreed minutes of the various working groups as well as in the Protocol on Long-Term Cooperation that was concluded during the visit of Mr. Eric Honecker, President of GDR to India in 1979 with a view to ensuring their expeditious fulfilment.

India and German Democratic Republic (GDR) have envisaged a trade turnover of Rs. 2240 million in 1981. The Indo-GDR trade crossed the Rs. 1000 million mark in 1980. This was discussed, when Dr. Gerhard Weiss, Deputy Chairman of the Council of the Ministers of the German Democratic Republic, called on M/r. Pranab Mukherjee, Minister of Commerce and Steel and Mines. The two Ministers expressed Satisfaction that Indo-

GDR trade, which was only Rs. 390 million in 1973, increased to Rs. 975 million in 1979.

The GDR Minister expressed keen interest in the involvement of India in the GDR projects in third country. Welcoming his proposal, Mr. Mukherjee pointed out that India had developed a large industrial base over the years and could be in a position to supply machinery and equipments to large construction projects, civil engineering contracts and other ventures with a competitive price. It was also noted that GDR had already entered into a number of production, collaborations, arrangements with India covering a large number of industries like machine tools, printing machinery, office machines, chemicals, etc.

In a long term agreement on economic, industrial, scientific and technical cooperation signed in January 1979, the two sides have set a target of doubling the trade turnover by 1985 as compared to the level attained in 1978. The current trend in trade indicates that the objective would be achieved before 1985.

Major items of India's exports to GDR are coffee, tea, spices, iron ore, mica, textiles, shoe-uppers, finished leather, jute manufactures and engineering goods such as machine tools, small hand tools, automobile ancillaries, sanitary fittings. The hard-core of India's imports from GDR consist of potash fertilizers, cinematographic films, printing machinery, chemicals and pharmaceutical and capital goods and machinery.

IRCON Bags High-Value Iraqi Contract

India has bagged a major railway contract in Iraq, valued at 8270 million against stiff international competition. Under the contract, the Indian Railway Construction Company (IRCON), a public sector undertaking under the Ministry of Railways, will construct 30 route kms. (80 track kms.) of railway line near Samawa, 240 kms. south of Baghdad, with a new station at Samawa. The work also involves the construction of 85 bridges, including 3 major bridges on the river Euphrates, 410 staff quarters and service and workshop buildings. The pre-stressed concrete sleepers, required for the railway lines, would be manufactured by IRCON by setting up a factory at the site of the project. The entire work will be completed in a period of 30 months from the date of signing the contract.

The Iraqi contract is yet another feather in the cap of Indian Railways. In Nigeria, 38 railway officers and about 400 Indian railwaymen are already managing the entire railway system in that country under a \$ 25 million three-year contract.

In Mozambique also, the Railways are poised to play a significant role. A 38-member team of railway officers and men is being deputed to that country to execute a two-year contract for managing the critical sectors of Mozambique Railways. Technical experts of Rail India Technical and Economic Services (RITES), a public sector undertaking under the Ministry of Railways, will be in charge of the operation of these critical sectors for two years.

In countries like Ghana and Zaire also, Indian railwaymen have been assisting railway systems there.

Export Orders Secured from Japanese Department Store

Indian firms have secured orders worth Rs. about 3 million from a leading Japanese department store. A five-member team from the department store was recently on a visit to India at the instance of the Trade Development Authority which coordinated their visit to various manufacturing units in and around Delhi.

The products for which orders have been bagged are : bed spreads, cushion covers, pillow covers, aprons, floor coverings, furnishing fabrics and small leather items such as coin purses, & hand bags. Product displays were organised for the visiting Japanese team in the TDA premises. The Japanese department store had earlier placed trial orders last December when a similar team had visited the country.

The Japanese team evinced keen interest in palmleaf articles like baskets, trays etc., handloom textiles, home furnishings, carpets and floor coverings. It is likely to visit India again towards the end of the year.

Uptrend in Gem and Jewellery Exports

Exports of gem and jewellery during the financial year 1980-81 provisionally stood at Rs. 6457 million thus marking a rise of 7.76 percent compared with actual figures of exports of Rs. 5993.2 million during 1979-80. The rise in exports has been mainly due to higher exports of cut and polished diamonds at Rs. 5996.1

million compared to Rs. 5501.3 million during 1979-80 marking a rise of 8.45 percent. While exports of other items have been generally better, exports of gold jewellery could not contribute to the rising trend.

The following table gives item-wise exports of gems and jewellery during 1980-81 compared with the previous year :

Items	Value (Rs. in million)	
	1979-80 (Actual)	1980-81 (Provisional)
Diamonds	5501.3	5996.1
Precious/Semi-precious Stones	271.9	297.5
Pearls	36.4	61.0
Gold Jewellery	169.3	117.4
Non-Gold Jewellery	11.3	13.4
Synthetic Stones	2.6	1.6
Imitation Jewellery	0.4	—
Total	5993.2	6457.0

Indo-Thai Trade Trends

According to the trade figures of the Department of Business Economics, Government of Thailand, there has been a significant rise of 22.37 percent in India's exports to Thailand during the year 1980 vis-a-vis 1979, says a commercial report issued by the Embassy of India, Bangkok. In comparison, India's imports from Thailand during the year, however, recorded a lesser growth of 3.85 percent. While India's exports to Thailand rose in value from Baht 742 million in 1979 to Baht 908 million in 1980, India's imports from Thailand went up from Baht 416 million in 1979 to Baht 432 million in

1980. Thus India enjoyed favourable trade balance to the tune of Baht 476 million during 1980.

The main items constituting India's exports to Thailand during the year were groundnut and soyabean cakes, carbon black, metallic oxides, borates, medicines, dyes and dyestuffs, pigments, cotton (not carded or combed), precious and semi-precious stones, imitation jewellery, hand tools; diesel and other heavy oil engines, spare parts for internal combustion engines, stranded wires and cables, steel structures for bridges, various types of pumps, machinery for manufacturing cellulose, taps and cocks, electrical generators and motors; various types of electrical

equipment like switches, relays, boards, circuit breakers and electrical bulbs; parts for the assembly of chassis for motor vehicles; jeeps, forklift trucks, bicycle spare parts and crankshafts and gears.

The major items of India's imports from Thailand during the year were green beans (Mung beans), black beans, tungsten ores (wolfram and scheelite), carbon black, printed matter, fish meal, fluorspar, kerosene, polyester yarn; polyester and other synthetic fibres (not carded or combed) and unworked precious and semi-precious stones.

Review of India's Trade with West Asia and North Africa

The West Asia and North African countries continue to be an important source of India's requirements of crude oil, fertilizers, rock phosphate and some other essential raw materials. At the same time, this is an important area where there is considerable potential for increasing Indian exports. Insofar as India's project exports are concerned, this area is very important inasmuch as many countries in the region have embarked upon massive developmental plans in which both India's public sector as well as private companies are participating. During the year 1980, Indian companies secured many projects contracts in the civil construction sector particularly in Iraq and Libya.

The sixth session of the Indo-Iraq Joint Commission took place at New Delhi in the month of April, 1980. In the Trade Committee, detailed discussions took place for further increasing Indo-Iraqi trade. A new Trade Plan

for the year 1980 was formulated which provides for export of Indian goods to Iraq to the extent of \$ 160 million. The plan also provides for import of essential raw materials like urea and sulphur from Iraq in increasing quantities.

Trade talks with Sudan were held at New Delhi in the month of August, 1980. During the talks it was decided that Industrial Development Bank of India would extend a line of credit to the extent of Rs. 120 million to Sudan

for purchase of Indian engineering goods including capital equipment.

India's major partners in Africa region are Kenya, Tanzania, Nigeria, Ethiopia, Uganda, Zambia, Malawi, Mauritius, Ghana, Sierra-Leone, Zaire, Mozambique, Benin and Somalia, which account for around 80 percent of the total volume of trade with this region. There is a ban on trade with South Africa.

India's value of trade with Africa (South of Sahara) for the last four years has been as under :

(Value in Rs. million)

Year	Export	Imports	Balance
1975-76	1218.06	842.11	+357.95
1976-77	1432.09	1672.69	-240.6
1977-78	1987.51	1979.65	+ 7.86
1978-79	1850.45	982.84	+867.61
1979-80	1081.85	1039.72	+ 42.13

Manufactured products account for 80 percent of India's total exports to this region. This share is steadily going up. The major commodities of import from this region are precious and semi-precious stones, non-ferrous metals, raw cashews which together account for 70 percent of total imports. On the whole, India has favourable balance of trade except with some countries due to heavy single commodity imports like copper (Zambia), raw cashewnuts (Tanzania), zinc, and precious and semi-precious stones (Zaire),

Negotiations are being held with Kenya, Ghana, Liberia, Mozambique, Somalia, Nigeria and Rwanda with a view to concluding trade agreements

with them. During the visit of the President of Zambia to India in September, 1980, a Protocol on Trade and Joint Ventures was also signed between India and Zambia. During the year 1980-81, delegations from Mauritius, Ivory Coast, Malawi, Mozambique, Uganda, Seychelles, Zanzibar, Senegal, Zambia and Rwanda visited India.

Industrial Growth and Diversification

Raising Capacity of Steel Plants

A number of strategies have been adopted for increasing steel production during the Sixth Five Year Plan

period to meet the demand projections of 12.9 million tonnes by 1984-85 and 18.4 million tonnes by 1989-90, starting from a consumption level of 8 million tonnes in 1979-80.

The strategies include removal of infrastructural constraints including import of coking coal, provision of captive power plants to cater to the essential operating needs of steel plants particularly at Bokaro, Durgapur and Rourkela, acceleration of research and development activities relating to utilisation of inferior grades of coal in blast furnaces and improving steel making practices to get higher productivity and yields, speedy implementation of modernisation and replacement programmes as also of expansion schemes, and implementation of the Visakhapatnam steel project so as to make it operational by the first year of the next plan, and if possible to take up a second project.

According to the annual report of the Department of Steel, Ministry of Steel and Mines, coking coal needs to be imported partly on account of supply constraints and partly to offset the high ash content of indigenous coal. Approximately, one to two million tonnes of coal may need to be imported per year for some time.

The report says that the production of steel including the output of mini steel plants has been planned to be increased from 7.3 million tonnes in 1979-80 to 11.5 million tonnes in 1984-85 and 17.4 million tonnes in 1989-90. Even under this condition, there would be need for marginal import of steel because of imbalances between various categories of steel such as shortage of shaped products

and a surplus in flat products in 1984-85.

The report points out that the programme calls for a major step-up in capacities although much of it would fructify only towards the later part of the plan period and mostly in the seventh plan. The 4.0 million tonne expansion scheme of Bhilai Steel Plant would be completed by 1982-83 and the production would start in 1983-84. The Bokaro Steel Plant expansion scheme of 4.0 million tonnes would be completed in 1982-83 and the production would also start in 1982-83. Its 4.75 million tonnes stage would complete by 1986-87 and the production would start in 1987-88,

In arriving at the relative investment priorities, greater stress has been laid on the completion of continuing schemes as also for modernisation and rationalisation programmes. Some of the new schemes which have been included in the Plan and which may require investment to effectively take place during the later part of the plan period, would be funded only after a mid-term appraisal of the plan and if availability of resources so permits. The reports adds that steps would be taken for speedier implementation of projects and for closer monitoring of the progress of supplies of critical inputs of construction and erection,

The report further adds that keeping in view the projected growth-rate, inter-sectoral priorities to various sectors of economy and severe financial constraints, the National Development Council has recommended an allocation of Rs. 40,000 million for the steel sector during the plan period 1980-85.

Some of the important schemes under implementation or under consideration include Salem Steel Plant, a second shorebased steel plant, provision of additional melting facilities at Alloy Steel Plant, Durgapur, a pelletisation plant based on iron ore concentrates from Kudremukh and installation of thermal generating units at Bokaro and Durgapur to augment captive power generating capacity.

The proposal of the and R and D Centre for setting up a pilot plant at Ranchi for the development and adoption of rotary Kiln/direct reduction process technology for production of sponge iron at an estimated cost of Rs. 47 million has made considerable progress. The plant is scheduled to be commissioned by November, 1981. Pilot facilities are also planned for development of technology using shaft reactor and report system. Other important projects being pursued by the Centre include beneficiation of iron ore, coal dust injection in blast furnace of Bhilai Steel Plant and computerisation of LD operation of Rourkela Steel Plant.

The report further says that proposals for the setting up of a two million tonnes per year pellet plant at Bailadila in Madhya Pradesh and three million tonnes per year plant at Mangalore, are under consideration of the Government.

Trends in Industrial Production

Industrial production during 1980-81 has recorded a rate of growth of 3.6 percent compared to a decline of 1.4 percent in 1979-80 as per the provisional indices from CSO. Index numbers of industrial production for 1978-79, 1979-80 and 1980-81 and the

percentage changes thereof show almost continuous downward drift in the index through 1979-80 and the reversal of the trend in 1980-81

The overall industrial growth of 1980-81 has to be viewed in the context of the fact that industrial production which had shown a decline of 4.9 percent in April 1980 over April 1979, recorded a positive growth of 5.1 percent in October 1980 over October 1979, and has shown an increase of nearly 8 percent in March 1981 over March 1980; the overall growth rate of the last quarter of 1980-81 has been a little over 8 percent.

An analysis of selected 148 industries for which provisional information is available, shows that during 1980-81, 101 industries accounting for a weight of nearly 69 percent in the general index and constituting about 82 percent of the weight of the selected industries had recorded positive rates of growth. Of these 101 industries, 52 industries with a weight of 17.4 percent in the general index had registered an increase of more than 10 percent in April-March 1980-81 over April-March 1979-80. These 148 industries showed a growth of 5.3 percent in 1980-81 as against a rise of 4.3 percent during April-February 1980-81 over April-February 1979-80. An analysis by use based classification shows that while the selected capital goods industries showed a significant rise of 12.6 percent, the increase in production in the case of basic industries, consumer non-durables, intermediate goods industries and consumer durables chosen for study were respectively 4.9 percent, 4.7 percent, 3.6 percent and 2.4 percent.

An analysis of provisional production data for 29 selected industries which account for a combined weight of 46.5 percent in the general index of industrial production, has yielded weighted average rate of increase in the output of these industries in the overall of 18.9 percent in April 1981 over April 1980. Substantial increases have been recorded by crude petroleum-electricity, cement, nitrogenous fertilisers, phosphatic fertilisers, saleable steel, aluminium, vanaspati, sugar, news print, petroleum products, diesel engines (vehicles), agricultural tractors and commercial vehicles. Keeping in view the observed performance of the different industries, the concerted efforts that are being made to bring about well-knit coordination in the vital sectors of power, coal and transport and the various measures undertaken to streamline investment and approval procedures, it may be hoped that the rate of growth of over 8 percent recorded in the quarter ending March 1981 over the same period a year ago would be improved considerably in the different months of 1981-82 to be able to achieve overall rate of growth of 10 percent.

Step-up in Approved Foreign Collaborations

The Government of India have approved 525 foreign collaborations in 1980-81 as against 289 in 1979-80. Thirty countries were involved in these foreign collaborations. There has been a substantial increase in foreign collaboration agreements signed with the USA in 1980-81 with the total number of 128 as against 57 in 1979-80. Other countries with which foreign collaboration agreements were signed were UK 106 in 1980-81 as

against 62 in 1979-80; Federal Republic of Germany 95 in 1980-81 as against 60 in 1979-80 and Switzerland 38 in 1980-81 as against 15 in 1979-80. Industry-wise the highest number of collaborations were in the field of industrial machinery followed by electrical industry and automobile and auto ancilleries industries.

Statement showing countrywise break-up of the foreign collaboration approvals issued during 1979-80 and 1980-81 is as under :—

Name of Country	1979-80	1980-81
Australia	2	2
Austria	2	6
Belgium	3	—
Bulgaria	—	1
Canada	2	1
Czechoslovakia	4	2
Denmark	2	7
Federal Republic of Germany	60	95
Finland	4	4
France	15	27
GDR	7	4
Hong Kong	—	2
Hungary	1	2
Holland/Netherlands	6	11
Ireland	1	—
Italy	13	29
Japan	18	32
Luxembourg	1	—
Mexico	1	—
Norway	—	3
Poland	1	3
Portugal	—	1
Spain	1	2
Switzerland	15	38

Sweden	7	11
UK	62	106
USA	57	128
USSR	3	5
Yugoslavia	—	3
Non-resident Indian	1	—
Total :	289	525

Performance of Heavy Industry Units

Sixteen public sector units under the Union Department of Heavy Industry have started the year 1981-82 with a production of Rs. 726.3 million in April 1981. This was 87 percent of the target of Rs. 835.3 million for the month but was 24 percent higher than the production of Rs. 587.4 million achieved in April 1980. In addition, Engineering Projects (I) Ltd., a consultancy - cum - contracting organisation have achieved a turnover of Rs. 133.3 million, 92 percent of the target of Rs. 149 million for the month.

Units which have exceeded their targets for the month are HMT Ltd. (104%) Jessops (111%) Burn Standard and Company Ltd. (111%), Bharat Heavy Plate and Vessels Ltd. (113%), Bharat Pumps and Compressors Ltd. (125%) and Lagan Jute (109%). Units which have achieved above 80% of their target are Bharat Heavy Electricals Ltd., (84 %), Scooters India Ltd. (82%), Bharat Wagons and Engineering Company Ltd. (86%) and Bharat Brakes and Valves Ltd. (85%).

Hike in Cargo Traffic at Major Ports

There has been significant improvement in the working of major ports

under the Ministry of Shipping and Transport. During the first 8 months of the current financial year i.e. from April to November 1980, the traffic at the ten major ports increased by 6 percent as compared to the traffic during the corresponding period last year. In real terms the traffic handled by the major ports in the period from April to November 1980 was 51.09 million tonnes as against 48.06 million tonnes handled in the corresponding period of the year 1979. According to the 1980-81 annual report of the Ministry of Shipping and Transport this achievement came in the wake of concerted efforts made both by the Government and the Port Authorities with the cooperation of the labour. As result of these efforts, there has been a steady improvement of the position in respect of waiting vessels at all the major ports.

Besides reduction in the number of ship days lost at the ports of Calcutta, Bombay and Madras, during the period, there was an increase in the number of ships that called on these ports by about 13 percent during the same period. During 1979-80, the total number of ships that entered all the 10 major ports for cargo operations was more than 7000. The number of ships that called during the period from April to November, 1980 were about 5000 as compared to 4000 during the corresponding period of last year. The improvement in the working of the major ports has been recognised all over. For the first time, after October 1977, the congestion surcharge levied by the International Conference Lines at Bombay has been withdrawn totally. Similarly, congestion surcharges at Calcutta and Madras have been lifted.

Planned development of national shipping tonnage and shipping services received Government's particular attention. About 2.5 million GRT is proposed to be added during the Sixth Plan period. Public sector shipping companies viz. Shipping Corporation of India and Mogul Line Limited will together continue to have a larger share in the national tonnage. Private Shipping Companies will get due encouragement and will as usual be eligible for financial assistance from the Shipping Development Fund Committee. Coastal shipping has come in for closer study and measures designed to make it economic and attractive are under consideration. The Shipping scene now is brighter and it is likely to remain buoyant for some time.

The Shipping Development Fund Committee continued to extend assistance in the form of Safauns (foreign exchange loan worth Rs. 3516.9 million and rupee loans worth Rs. 11987.1 million on soft terms. It also issued guarantees and counter-guarantees to the extent of Rs. 12,681.6 million.

Indian shipping has also entered the era of containerisation, with a view to carrying Indian container cargo which at present, is carried by foreign container consortium, Indian shipping lines, viz. Shipping Corporation of India, Scindias and India Steamships, have plans to acquire more fully containerised vessels besides break bulk containerised vessels.

Sailing vessels numbering about 14300 in 1979 carried 814,475 tonnes of coastal and overseas cargo. To give fillip to mechanisation of these

vessels, the scheme for financial assistance was renewed and the interest rate on loan has been reduced from 10 1/2 percent to 5 1/2 percent per annum with a rebate of 1/4 percent.

There was a significant improvement in the working of the Dredging Corporation of India. Its turn-over, which is estimated to be Rs. 240.5 million for the year 1980-81, represents an increase of 94 percent over that of the previous year. Its foreign exchange earnings during the year are expected to be of the order of Rs. 32.2 million.

Science and Technology

APPLE Launched from French Guyana

APPLE, the first Indian three-axis stabilised geostationary experimental communication satellite weighing 673 kg. was successfully launched on June 19, 1981 from Kourou on the Atlantic coast in French Guyana, by the Ariane launch vehicle of European Space Agency on its third developmental flight. After 17 minutes 25 seconds, the spacecraft was successfully placed in the transfer orbit by Ariane launcher. The orbital parameters are 201.3 km. perigee (nearest distance from earth) and 36206.7 km. apogee (farthest distance from earth). The orbit is inclined to Equator at 10.49 degrees. The orbital period is 10 hours 39.8 minutes. The spacecraft subsystems are functioning normally. Tests commands have been issued from SHAR to the APPLE spacecraft successfully.

The APPLE is different from the Rohini, Aryabhata and Bhaskara spacecrafts, launched by India earlier,

because they are low earth orbiting satellites conducting technological experiments. APPLE is an experimental telecommunications satellite and will be placed in a circular orbit at a height of 36000 km. Unlike Rohini's orbit that was inclined to the equator, APPLE will be right over the equator. APPLE is also the heaviest Indian satellite launched so far. It weighs 673 kg. at launch and around 380 kg in orbit.

APPLE has entered into geosynchronous orbit. A geosynchronous orbit is an orbit where a satellite takes exactly 24 hours to make one round of the earth, the same time earth takes to make one revolution on its axis. The satellite would, therefore, appear to be fixed in space.

APPLE stands for "Ariane Passenger Payload Experiment". It got this name as it has been carried as a "Passenger" by the European Space Agency (ESA) Rocket "ARIANE", on its third development flight. APPLE is not the only passenger on board the Ariane. It has two other passengers. One is a European Weather Satellite called "METEOSTAT" which was also launched into geosynchronous orbit. The other is a Technology Capsule "CAT" for measuring Ariane's performance. Ariane has the ability to eject two satellites, and APPLE is sandwiched between METEOSTAT on top and CAT at bottom.

APPLE was built within a record time of about three years by the ISRO Satellite Centre (ISAC) at Bangalore at a cost around Rs. 40 million. It has a cylindrical structure, 120 cm. in diameter and 120 cm. long. It weighs 673 kg. including the 324 kg

Apogee Booster Motor (ABM) mounted at the bottom. The Solar Array Drive, Reaction Control System and Radial Arms support four VHF antennas. All subsystem electronic packages are housed on top and bottom deck plates. The top deck plate carries the all-important microwave C-band antenna and the communications transponder, APPLE's main payload. Power is derived from two deployable solar panels—sun tracking solar panels and a nickel-cadmium storage battery. The APPLE is body-stabilized, unlike all earlier Indian satellites which were spinstabilized.

APPLE is an indigenously built spacecraft. It was designed and built at ISAC but with some imported components. Its solar panels were bought from Spectrolab (USA), sensors from Lockheed (USA), control systems from Hamilton Standard (USA), microwave components from Hughes International (USA), batteries from SAFT (France), solar array drive from British Aerospace (UK) and one momentum wheel assembly for body stabilization from Teldix (West Germany). But the most important system the apogee boost motor (ABM) which took APPLE from transfer orbit to geostationary orbit was built at Vikram Sarabhai Space Centre (VSSC), Trivandrum.

Ariane will not put APPLE in a place India wants. ISRO has to do it on its own through a very delicate manoeuvre for 21 days—the capability for which has been demonstrated by only four countries so far. Ariane's job is to put APPLE in an elliptical "transfer orbit" with a perigee (closest distance from earth) of 200 km. and an Apogee (farthest distance of 36,000 km. In this orbit APPLE

will be going round the earth once in 640 minutes. From then on, the control will be handed over to ISRO which has the responsibility to kick APPLE from transfer orbit to the circular equatorial orbit. At first, ISRO will put APPLE in a geostationary orbit over Gabon in Africa and then 'drift' the satellite to its assigned position over Sumatra by carefully firing rocket thrusters. The operation will take a minimum of 21 days during which APPLE has to be carefully moved to its parking position. Once in position, APPLE's 90 centimetre dish antenna will look towards Nagpur, with its beam covering the whole of India.

The life span of APPLE is at least one year. Its life is limited by the quantity of hydrazine fuel.

The objectives of APPLE are: to build and launch an experimental 3 axis body stabilised geostationary communication satellite with its own apogee propulsion system and attitude and orbit control system for conducting communication experiments in C-band; to obtain experience in injection into geostationary orbit from a nominal synchronous transfer orbit and carry out on-orbit management including attitude control and station keeping; and to conduct experiments in communication technology and its applications in domestic communication, radio networking, data relay, remote area communication etc., on an experimental basis.

APPLE Project is conceived as a stepping stone towards future operational national communication satellites which can provide communication, direct TV broadcast and meteorological services from a geostationary orbit.

Population: Decisive Decades Ahead*

The provisional population of India as recorded at the census 1981 is 683,810,051. This population includes the projected population in the case of Assam and Jammu and Kashmir. The provisional figures provide sufficient data for a discussion of a few important features of the population of the country, in particular its growth rates, density, sex ratio and literacy.

India is among the four largest countries of the world and it is only China with 957 million that has a larger population. The USSR and USA are the other two countries with large populations and these four countries together account for nearly half the population of the globe. While India's population is the second largest in the world, or 15 percent of the world's population, the country accounts for only 2.4 percent of the total world area.

The population of India has steadily increased from 1901. It was 238,396,327 in 1901. Ten year later the count was up by about 13.70 million. The 1921 census showed a slight decline—the only time in the century. The decadal growth rate started crossing the double digits from 1931 onwards. Nearly 27.70 million people were added during the decade 1921-31. In the next decade, the population touched 318,660,580, an addition of over 39.60 million.

In the post-independence census of 1951, which preceded the first General Elections in 1952, the population crossed 361 million. The percentage growth rate of the decade was still in its teens, 13.31 percent increase to be exact. Over the 1901 figures, this represented a 51.47 percent increase.

Thereafter, there has been an unprecedented acceleration in growth rate. By 1961, the country had added more than 77 million people. The percentage-wise growth recorded a rise of 21.51. In 1971, the addition to population registered was about 109 million, a 24.80 percent decadal growth. The latest census has shown an addition of 136 million over the 1951 figures, which was more than a double jump. During these eight decades of the 20th century, the growth rate rise is of the order of 186 percent over the 1901 data.

A comparison with the population of 1971 would indicate that the growth rates have been of a fairly high order except in a few cases. The all-India growth rate itself is almost equal to that in the decade 1961-71. In almost all the States and Union Territories, the addition in numbers between 1971 and 1981 are higher than that between 1961 and 1971. It is only in the States of Kerala, Orissa, Tamil Nadu and in the Union Territory of Goa, Daman and Diu that the absolute numbers and growth rate increases in the last decade are lower than in the decade 1961-71. Among the States and Union Territories, eleven have had an accelerated rate of growth over the last decade. These would include certain States such as Nagaland, Sikkim and Union Territories such as

Andaman and Nicobar Islands, Dadra and Nagar Haveli, Mizoram and Pondicherry.

The provisional results would indicate that there is a need for a more detailed consideration of the situation in the bigger States of Andhra Pradesh, Bihar, Karnataka, Rajasthan and Uttar Pradesh.

The sex ratio is of some interest. The sex ratio is defined as the number of females per thousand males. The number of females per thousand males has generally been less than thousand, that is, adverse to the females. Noticeably, the ratio has tended to deteriorate over the decades. For the first time, in 1981 it would seem that the tendency for the sex ratio to deteriorate has been halted and that, in fact there has been a slight improvement. Kerala is the only State where the sex ratio is in favour of females, with 1034 females per thousand males.

The literacy rates in the country have certainly improved over the decades but there is a clear differential between the rates among males and females with the latter falling behind male literacy rates almost continuously. One can derive some satisfaction from the improvement in the literacy rates. It is important to note that even though the number of literates has increased by about 82 million over the decade 1971-81, there has been continuous addition to the stock of illiterates. In 1971, as against 156.4 million literates there were 372.1 million illiterates. In 1981, the literates has risen to 238 million; so also the illiterates to 420 million, an addition of 48 millions to the illiterates stock. It would mean that

* (Based on an article, by P. Pádmánabha, Registrar General and Census Commissioner),

there has to be an enhanced activity in not merely formal schooling systems but also in the adult literacy programmes. Female literacy is of particular importance in the context of programmes of family planning and health care.

The rural-urban distribution of population will be available a little later. However, the information regarding those cities which have a population of 1 million and above have been provisionally totalled. As against nine such cities in 1971, there are now 12. These cities with the provisional population are : Calcutta (9,165,650); Greater Bombay (8,202,759); Delhi (5,227,730); Madras (4,762,635); Bangalore (2,913,537); Hyderabad (2,565,536); Ahmedabad (2,515,195); Kanpur (1,685,308); Pune (1,685,266); Nagpur (1,297,977);

Lucknow (1,006,843); and Jaipur (1,004,669) (all urban areas of these cities). The cities which have now crossed 1 million after the 1971 Census are Nagpur, Lucknow and Jaipur.

In a country like India where growth rates vary so widely from State and region to region, it would seem more appropriate to consider the issues involved on the basis of larger States or those that have the largest demographic impact.

The provisional Census results indicate very clearly that there has been almost no deceleration in the growth of population. Since death rates in certain areas may fall due to health measures, this, in conjunction with high birth rate, would further lead to an increase in population. Without entering into the debate on correlations, between economic and social measures

with levels of fertility, there would appear to be a strong correlations between female literacy and fertility levels. Such correlations would strengthen the view that long term measures relating to female literacy would yield dividends. In this context, adult literacy, appears to call for greater attention.

Also, since time would appear to be our scarcest resource, it would seem essential that a component relating to reduction in fertility is built into almost every programme or activity of Government so that there is a much wider spread and utilisation of agencies. The next two decades are in a large measure "The decades" in terms of quality of life. And the provisional results of the 1981 Census clearly indicate that there is no room for complacency.

Programme of Forthcoming Participations in Trade Fairs/Exhibitions Abroad

1. New Zealand International Trade Fair, Auckland (New Zealand)	July 29—August 5, 1981
2. Budapest International Autumn Fair, (Consumer Goods), Budapest (Hungary)	September 18-27, 1981
3. Tehran International Fair, Tehran (Iran)	September 19—October 1, 1981
4. Ghent International Fair, Ghent (Belgium)	September 12-27, 1981
5. Baghdad International Fair, Baghdad (Iraq)	October 1-15, 1981
6. Indian Exhibition, Sydney (Australia)	October 6-9, 1981
7. Bucharest International Fair, Bucharest, (Romania)	October 15-23, 1981
8. Pret-A-Porter Feminin (International) Exhibition for Ladies Ready-to-Wear Clothing, Paris, (France)	October 17-21, 1981
9. Santiago International Trade Fair-FISA '81, Santiago (Chile)	October 29—November 15, 1981
10. Indian Exhibition, Nairobi, (Kenya)	January 1982
11. Indian Exhibition, Bahrain	February 1982
12. Cairo International Fair, Cairo (Arab Republic of Egypt)	March 1982
13. Indian Trade Exhibition (Algiers)	1982
14. Indian Exhibition, Mexico,	1983

For further details, please write to : Chief Exhibition Officer, Trade Fair Authority of India, Pragati Maidan, Lal Bahadur Shastri Marg, New Delhi-110001

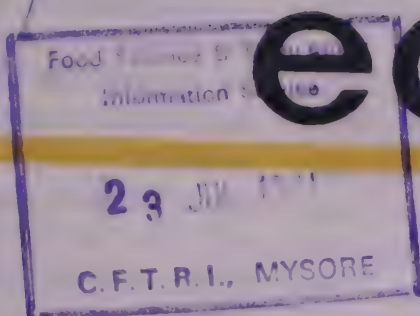
FACILITIES FOR INTERNATIONAL EXHIBITORS AT IITF, 1981

Trade Fair Authority of India (TFAI) will be organising India International Trade Fair (IITF) from November 14 to December 4, 1981. The main objective of the Fair is to promote international trade and encourage new investments in India as well as in third countries. The Fair will project India's allround progress in the fields of industry, agriculture, trade, science and technology. In this Fair, as many as 50 foreign Governments at the national level and more than 3,000 companies from India and abroad are expected to participate.

With a view to making foreign participation meaningful, a number of facilities are being provided to the international exhibitors for expeditious disposal of the exhibits displayed by them. They are listed below :—

- (1) Government of India have issued instructions to all Ministries and public sector undertakings that as far as possible, in regard to their import requirements, they should make their purchases from the goods that are displayed by international exhibitors at the Fair.
- (2) All Central Government Ministries have been advised to let the TFAI know their import requirements so that these can be circulated to all the foreign governments and firms who wish to participate in the Fair. This will facilitate the concerned Departments to make their selections and order for their purchases from the exhibits that are displayed at the Fair.
- (3) For expeditious disposal of exhibits that are displayed at the International Fair, Government of India have streamlined customs and licensing procedure as under :—
 - (a) Fair Quota to the maximum of Rs. 5 million in foreign exchange per exhibitor has been earmarked for disposal of the exhibits displayed at the Fair.
 - (b) In respect of capital goods upto a value of Rs. 1 million per item Chief Controller of Imports and Exports (CCI and E) has simplified the licensing procedure to ensure that such licence are issued on the spot.
 - (c) In respect of items of the value of over Rs. 1 million, special meetings of the Capital Goods Committee (CGC) will be convened to ensure that these applications for import licences are disposed of immediately.
 - (d) Items falling under Open General Licence (OGL), and Indian importers holding licence for the items of their purchase, will be allowed direct purchases and clearance by the Customs located at Pragati Maidan.
 - (e) Customs and Chief Controller of Imports and Exports offices will be located at Pragati Maidan to facilitate expeditious clearance of goods.
 - (f) As an incentive for developing countries to participate in the Fair, following items of consumer goods which are otherwise banned for import into India, have been permitted for disposal by the developing countries participating in the Fair : handicrafts, garments, jute goods, toys other than electronics, cosmetics, house-hold goods other than electrical and electronics, ladies fashion wear, leather goods, glass-wares, dry fruits, and honey.
 - (g) International exhibitors have been allowed duty-free import of publicity and advertising materials for free distribution during the Fair.
 - (h) To make participation more attractive, several other relaxations in regard to customs and licensing regulations have been agreed to by the Government.

The licence fee will be Rs. 100 per square metre for open area and Rs. 400 per square metre for covered area. Foreign participants will, of course, be required to pay the fee in foreign exchange. Further details may be obtained from the Trade Fair Authority of India, Pragati Maidan, New Delhi-110 001.



economic and commercial news

News Highlights

Madame He Liliang Visits Pragati Maidan

Madame He Liliang, wife of the Chinese Vice-Premier and Foreign Minister, Mr. Huang Hua, visited Pragati Maidan, New Delhi recently. She was received and taken round the Village complex by Mr. Mohammad Yunus, Chairman, Trade Fair Authority of India. Madame Liliang evinced keen interest in the craft demonstrations being held there.

High-Value Korean Contract for ETTDC

The Electronics Trade and Technology Development Corporation of India (ETTDC) has been awarded US \$ 5.5 million contract to set up a pilot plant and training centre for the production of integrated circuits in the Democratic Republic of Korea. This prestigious contract is the first one won by an Indian concern in such a sophisticated field. This is also one of the largest contracts granted by UNIDO. ETTDC will complete the project in sixteen months from the signing of the contract.

Laos Contract for WAPCOS

Water and Power Consultancy Services (India) Limited (WAPCOS), a public

Export Performance and Potential

Strengthening Indo-Algerian Trade and Economic Ties

India and Algeria have agreed on the need for greater South-South dialogue for economic development of developing countries. This was discussed, recently in New Delhi when the visiting Algerian Minister of Planning, Mr. Abdelhamid Ibrahimi called on the Union Minister for Commerce, Steel and Mines, Mr. Pranab Mukherjee.

The two Ministers also agreed that steps should be taken to increase and diversify Indo-Algerian trade and economic cooperation with special emphasis on joint ventures in each other's country as well as in third countries. Mr. Mukherjee pointed out that the technology developed by India would be appropriate for the co-developing countries. The Algerian Minister also said that his country was keen to benefit by the experience of India in the field of industrial development.

Mr. Mukherjee referred to the protectionist tendency displayed by developed countries as well as to the recent discussion on Multi Fibre Arrangement. Both the Ministers agreed on the need for joint efforts for establishment of a new economic order.

Indo-Algerian trade is governed by a Most Favoured Nation type Trade Agreement, concluded in February 1976. India's exports to Algeria are nominal while the imports, barring oil and gas, are very little.

India's project exports to Algeria are mainly concentrated in the field of

undertaking under the Union Ministry of Irrigation, has secured its first contract in Laos for providing consultancy services for the World Bank-aided small scale irrigation project in that country.

Indo-EEC Cooperation Agreement

India and the EEC have entered into new Commercial and Economic Cooperation Agreement. The new provision of significance enumerated in the agreement include acceptance by the parties of the need to promote new relations of dynamic complementarity based on comparative advantage and mutual benefit in the industrial field. It also envisages promise by the Community to take all possible measures to intensify its support for India's development programmes.

Contents

Export Performance and Potential

Strengthening Indo-Algerian Trade and Economic Ties

India Offers to Construct Rail Line in Libya

WAPCOS Secures First Contract in Laos

IRCC's Improved Export Performance

India's Growing Trade Relations with East Asia

Export Trends of Leather Manufactures

Industrial Growth and Diversification

Augmenting Milk Production

Infrastructure Industries Register

Further Growth

Stepping Up Fertiliser Production

Partial Duty Exemption on Articles of Precious Metals

Exploration for Diamond by MEC

India Now Full Member of ICC

Electrification of More Villages

Rubberised Coir Industry

Towards Promotion of Tourism

Sustained Development of Industrial Sector

consultancy and technical services. Indian companies such as HMT, Electronics Trade and Technology Development Corporation (ETTDC), Rural Electrification Corporation (REC), National Industrial Development Corporation (NIDC) and Engineers India Limited (EIL) have entered into contracts with Algerian State Companies for the provision of exports, management services and technical services. India has also a few contracts in the industrial field.

Algeria has evinced keen interest in drawing upon Indian expertise in the field of construction and management of hotels and airports. During his talks with Mr. A.P. Sharma, Minister for Tourism and Civil Aviation, Mr. Abdelhamid Ibrahimi, disclosed that his Government was interested in constructing five-star hotels in Algeria with Indian collaboration.

Mr. Sharma informed the Algerian Minister that his country was constructing a hotel in Cyprus and details about constructing hotels in Algeria could be worked out by experts. He was further informed that India has gained so much expertise in hotel construction that at present 4,000 hotel rooms were being constructed every year in the country.

The Algerian Minister also showed interest in the Indian expertise in the construction of earthquake prone airports. He was informed that India had already tendered for consultancy services for an Algerian airport.

Possibilities of developing closer economic and technical cooperation, the setting up of joint ventures and exchange of experiences in planning were discussed at a meeting between

the Union Minister of Planning and Labour, Mr. Narayan Datt Tiwari and Mr. Abdelhamid Ibrahimi. The Algerian Minister said that Algeria was interested in benefiting from Indian experience in the field of transport, agricultural development of arid zones and the development of industrial sector, particularly small and medium industries. Mr. Ibrahimi also desired to know about the role of private sector in India's development and the organisation of industrial services. The Algerian side evinced keen interest in cooperation at the level of research and training institutes engaged in planning of economic and social activities and in contacts with research centres in the two countries for the new sources of energy, solar and nuclear etc. Mr. Tiwari stated that in country's development, the public sector had been assigned a commanding role, but the private sector had also an important role. The fixation of land ceiling restricted feudalism in agriculture and in the industrial sector.

The Union Minister for Petroleum, Chemicals and Fertilisers, Mr. P.C. Sethi, and Mr. Ibrahimi had discussions on matters of mutual interests concerning the fields of oil, drugs and pharmaceuticals and engineering consultancy. The Algerian Minister said that one million tonne of oil had been offered to India this year. His country, he said, was formulating a total energy policy and was interested in developing alternate sources of energy. Welcoming the Algerian Minister, Mr. Sethi said that India and Algeria had close economic ties and expressed the hope that these ties will become stronger. He also expressed the hope that cooperation between the two countries in

Material received from various sources is published in this weekly in the interest to export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this journal.

the field of oil industry will continue. Mr. Sethi said that the public sector Indian Drugs and Pharmaceuticals Limited had been declared as a lead agency for technical collaboration in the fields of chemical products, pharmaceuticals and hospital equipment. A project report had been submitted by IDPL for the manufacture of pharmaceutical products and surgical instruments. He added that India was planning to make huge investments both in the field of oil exploration and manufacture of fertilisers during the Sixth Plan which offered an opportunity to the two countries to cooperate in these areas.

An Indian Railway team will be visiting Algeria. This emerged after a meeting, the Railway Minister, Mr. Kedar Panday had with Mr. Ibrahim. Mr. Panday observed that a Memorandum of Indo-Algerian co-operation was signed in 1979 envisaging Indian participation in the modernisation and development of Algerian railways. He said that Indian Railways had the necessary technical know-how and expertise in the construction of new railway lines, gauge conversion work, modernisation of signalling and tele-communication systems. The technology developed by the Indian Railways is quite appropriate for developing countries because of its inherent flexibility and of achieving self-reliance, which might suit the requirements of Algeria also. The Rail India Technical and Economic Services (RITES) have already earned considerable acclaim in the several developing countries in Africa and the Middle-East. In Nigeria and Iraq, said Mr. Panday, the work had been well appreciated, besides in countries

like Jordan, Ghana, Zambia, Mozambique, Zaire and the Philippines.

India Offers to Construct Rail Line in Libya

India has reiterated her offer of construction of 200 km long railway line in Libya from Tripoli to Rasjedir for which the Indian Railways Construction Company (IRCON) has already submitted its tender.

In a letter addressed to the Minister of Communications for the Socialist People's Libyan Arab Jamahiriya, Tripoli, the Railway Minister, Mr. Kedar Panday, observed that the Government of India was looking forward in all earnestness to participate in the development of railways in Libya. Already a large number of Indian companies are working in that country, a fact which was brought out at the third session of the Indo-Libyan Joint Commission which met in Tripoli during March this year.

Accepting the letter on behalf of the Minister of Communications to Libya, the Secretary, Libyan Peoples Bureau, Mr. Mabrouq, reciprocated the sentiments expressed by the Railway Minister and stated that his country would be happy to extend cooperation and help to all the Indian companies working in his country. By such cooperation, the bilateral good relations would be further strengthened. They will depend on the expertise and technical know-how available with the Indian Railways in this regard.

It may be recalled that the Minister of State for Railways, Mr. C.K. Jaffer Sharief, had paid a visit to Libya in the month of May this

year. Mr. P.N. Kaul, Chairman of RITES and IRCON, was Present, When Mr. Mabrouq, met the Minister for Railways.

India has offered to construct 200 km. long railway line in Libya at a cost of Rs. 4600 million, i.e. 132 Libyan dinars. The Indian Road Construction Company (IRCC) and the National Building Construction Corporation (NBCC) are already working in Libya.

WAPCOS Secures First contract in Laos

Water and Power Consultancy Services (India) Limited (WAPCOS) a public undertaking under the Union Ministry of Irrigation, has secured its first contract in Laos for providing consultancy services for the World Bank-aided small scale irrigation project in that country.

Mr. O.P. Chadha, Chairman and Managing Director, WAPCOS, recently negotiated and signed this contract in Vientiane with the Department of Irrigation, Ministry of Agriculture, Forestry and Irrigation, Laos People's Democratic Republic. The value of consultancy job is about US\$ 293,000.

The company is at present providing consultancy services for various water resources development projects in Afghanistan, Bhutan, Burma, Indonesia, Iraq, Nigeria, Philippines, Sri Lanka and Vietnam.

IRCC's Improved Export Performance

Set up on December 20, 1976 for executing road and bridge construction works both within and outside, the Indian Road Construction Corpora-

tion (IRCC) has recently completed its first Rs. 150 million road project in the Zaleitain area of Libya and is currently executing another six projects costing about Rs. 330 million in that country which are at various stages of implementation. In addition, the Corporation signed on December 3, 1980 a contract for the construction of 312 kms long road in Libya connecting Gheriat-Derj costing about Rs. 1050 million. Another major project costing Rs. 1520 million is in the pipe line. In Iraq, the Corporation is executing road and bridge works costing about Rs. 450 million.

India's Growing Trade Relations with East Asia

The East Asian region accounted for 17 percent of India's global exports in 1974-75, 18.3 percent in 1975-76 and 18 percent in 1976-77. During 1977-78 and 1978-79, exports of the region represented about 17 percent and 22 percent respectively of country's global exports. Imports into India from the countries of this region accounted for 10 percent of global imports in 1975-76, 12 percent in 1976-77, 14 percent in 1977-78 and 16 percent in 1978-79. India has been consistently enjoying a favourable balance of trade with the region as a whole from 1975-76 onwards.

The following table indicates the trend of India's trade with the countries of East Asia since 1974-75 :

Value (Rs. million)

Year	Imports	Exports	Balance
1974-75	6079	5679	(-) 400
1975-76	5313	7539	(+) 2226
1976-77	6141	9267	(+) 3216
1977-78	8565	9403	(+) 838
1978-79	11003.3	12789.9	(+) 1786.6
1979-80			
(April-Sep.)	5472.4	5701.9	(+) 229.5

The region includes three developed countries, namely, Australia, New Zealand and Japan, of which Japan is India's second largest trading partner next only to USA. Japan accounted for 10.3 percent of India's total exports and 8.3 percent of her total imports in 1978-79. There has been a substantial increase in India's imports from Japan in the year 1978-79 reducing the bilateral trade surplus in her favour to a large extent. A trade delegation from Japan visited New Delhi in October 1979 and held detailed discussions on measures for expansion of bilateral trade and economic relations. A Japanese Imports Survey Mission visited India in March 1980 to find out the possibilities of contracting specific items for import from India. A team from the Mitsukoshi Departmental Store, who have a large net-work in the Japanese market, visited India in mid-1980 to explore the possibilities of promotion of trade in apparels and leather goods.

Next to Japan, Australia is India's second largest trading partner in this region. In recent years, exports of handloom textiles to this market have registered considerable increase. According to Australian figures, there has been a significant increase of 36 percent over the previous year in overall bilateral trade during the Australian financial year 1979-80 (July-June). The overall trade flows are now close to \$ 300 million or Rs. 2720 million. This represents the highest overall trade in any single year and is higher than 1976-77 when the bulk of Australian exports was on account of supply of wheat. India's exports to Australia during 1979-80 (July-June) increased by 16 percent over the previous year and 33 percent over 1977-78.

Protectionist circles in Australia have been clamouring for assistance to the domestic industry through imposition of tariff and non-tariff barriers in various areas. Those of particular concern to India are textiles, clothing, footwear including handlooms, tanned and finished leather products, hand-tools and some sports goods. In the meeting of India-Australia Joint Trade Committee held in Canberra from 26-28 November, 1980, the Indian delegation expressed its deep concern to the Australian side on the various protectionist measures announced by the Australian Government.

The five countries of ASEAN region, viz., Indonesia, Malaysia, the Philippines, Singapore and Thailand have been India's traditional trading partners. India's trade with these countries has been growing and there is considerable scope for further improvements. Except in the cases of Malaysia and Singapore, India enjoys a favourable balance of trade with the other three countries. In the case of Malaysia and Singapore, large-scale imports of edible oil have resulted in an adverse balance of trade.

Avenues for increasing the trade and economic cooperation between India and these five countries are being explored constantly. The Indo-ASEAN official level talks in May 1980 are expected to give an impetus to this process. Following the successful organisation of an Indian Engineering Trade Fair in Jakarta (Indonesia) in March, 1979, another such fair was organised by the Engineering Export Promotion Council in Bangkok in January, 1981. A wholly Indian Trade Fair was also organised in

Singapore by the Trade Fair Authority of India in March 1981. These fairs and displays are expected to go a long way in bridging the information

gap and to familiarise the business community of these countries about India's advancement and capabilities. At present, there are 55 joint ventures

in these five countries with 29 in production in Malaysia. Another 21 projects are under implementation, making a total of 76.

Export Trends of Leather Manufactures

During the decade 1970-71 to 1980-81, total exports of leather and leather manufactures soared high from a modest value of Rs. 132.8 million to Rs. 3364 million. There has also been a sea-change in the pattern of exports. The export of finished leather in 1970-71 was 22 percent only which rose to 79 percent in 1979-80. Leather footwear and its component exports came down from 68 percent in 1970-71 to 14 percent in 1979-80. The achievement in the field of leather goods was more or less static and in a decade, it went up from 4.5 percent in 1970-71 to 6.5 percent in 1979-80.

The following table shows the export trends of finished leather and leather products during the decade.

Items	Value (Rs. 10 million)										
	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	April 1980- Feb. 1981
1. Finished Leather	2.93	4.11	20.06	21.03	40.13	64.11	108.07	107.68	191.95	266.00	166.80
2. Leather Goods and Manufactures	0.59	0.62	4.81	6.17	6.53	9.38	13.37	20.73	31.61	21.84	19.63
3. Leather Footwear and Foot wear Components	9.09	8.58	8.39	11.28	17.45	20.16	34.59	34.91	39.72	47.63	31.95
4. Bristles/Paint Brushes/ Other Hairs	0.67	1.08	1.00	1.83	1.80	1.19	1.60	2.01	2.18	0.93	0.58
Total	13.28	14.39	34.26	40.31	65.91	94.84	156.63	165.33	265.46	336.40	218.96

Industrial Growth and Diversification

Augmenting Milk Production

India would produce 38 million tonnes of milk by 1984-85 as against the total milk production of 17.6 million tonnes in 1956 and 30 million tonnes in 1979-80. This will raise the per capita availability of milk from 120 grams to 146 grams per day. One of the measures proposed to achieve this production target is to step up artificial insemination with exotic/cross-bred semen from 4.6 millions in 1979-80 to 18 million in 1984-85 and to raise the number of cross-bred cows from 3 million to 8 million.

The Government has chalked out integrated approach to cattle development involving breeding, better feeding and management practices, efficient health services and facilities for assured remunerative market for disposable milk and milk products.

Special attention will be paid to imparting of information to the people in the rural areas about results of various research programmes in animal sciences and dairy.

Emphasis has been laid on developing new variants of bacterial cultures to improve the flavour and acid development informed milk like dahi. A short time setting process for dahi making in five to six hours and a long time process for overnight incubation has been evolved for commercial exploitation. The hybrid napier, hathighas, has been found to be an excellent fodder.

The organised collection of milk has gone up three times in the seventies. In 1970 the collection was 2 million litres per day whereas today it is 6.9 million litres. It is expected that by 1985, the collection will go up again by three times to 21 million litres a day.

In order to produce bulls of known pedigree, total of 42 exotic cattle breeding farms with adult strength of about 000 cows were set up in the country by the end of the Fifth Plan. In addition, about a dozen bull mother farms were established under Operation Flood I Programme. The Bhartiya Agro-Industries Foundation also established an exotic cattle breeding farm at Urlikanchan. Seven Central Cattle Breeding Farms have also been established for Red Sindhi and Tharparkar breeds of Zebu cattle, Jersey and Holsteian of exotic breeds and Murrah and Surti breeds of buffalo. A programme for progeny testing of bulls has also been taken up in four of the Central Cattle Breeding Farms, namely, Hesserghatta (Bangalore), Avadi (Madras), Dhamrod (Gujarat) and Suratgarh (Rajasthan).

Infrastructure Industries Register Further Growth

Six infrastructure industries—electricity, coal, saleable steel, petroleum refinery products, crude petroleum and cement—which account for a weight of 23.3 percent in the general index of industrial production, recorded an increase of 19.5 percent during May 1981 over May 1980. The rise in production has ranged between 3.7 percent in coal and 69.5 percent in crude petroleum.

During January-May 1981, there has been an average increase of about

17 percent in the production of these six industries over the corresponding period a year ago; the rise in production varied between 11 percent in coal and 54 percent in crude petroleum.

Stepping Up Fertiliser Production

Work on nineteen new fertiliser plants is to start during the Sixth Plan. Of the 19 plants, eight would be for the production of nitrogenous fertilisers and 11 for the production of phosphatic fertilisers. Of the eight nitrogenous plants, six would be based on natural gas, one on naphtha and one on coal. However, coal-based plant would be taken up after techno-economic viability of coal based plant is established by experience of Ramagunnam and Talcher units.

The setting up of naphtha-based plant is subject to availability of surplus naphtha for fertiliser production from the Mathura refinery. There is no proposal to sanction any new fuel oil based fertiliser plant.

The exact location and other details of the eight nitrogenous fertiliser plants have not yet been devised. It has, however, been agreed that of the six gas-based plants, one should be located in Madhya Pradesh, one in Rajasthan and four in Uttar Pradesh.

Of the eleven phosphatic fertiliser plants, locations of six plants had been identified. These six plants would come up at Paradeep, Cochin (Expansion), Goa (Expansion), Mangalore, Tuticorin (Expansion) and Jhabua. The annual capacity of

these plants would be as follows :

Location of Plant	Annual Capacity
Paradeep	300,000 tonnes of phosphates, 120,000 tonnes of nitrogen
Cochin (Expansion)	63,000 tonnes of phosphates, 25,000 tonnes of nitrogen
Goa (Expansion)	42,000 tonnes of phosphates, 16,000 tonnes of nitrogen
Mangalore	63,000 tonnes of phosphates, 25,000 tonnes of nitrogen
Tuticorin (Expansion)	70,000 tonnes of phosphates, 27,000 tonnes of nitrogen
Jhabua	50,000 tonnes of phosphates

The work has already started on the Tuticorin (Expansion) plant, the work on the remaining plants is to begin.

Partial Duty Exemption on Articles of Precious Metals

With effect from April 1, 1981 the procedure for payment of duty only on the job charges incurred in the manufacture of articles falling under item no.68 of the Central Excise Tariff in certain prescribed circumstances was replaced by a new procedure which provides for the in-bond movement of item 68 goods without payment of duty between a principal manufacturer and his secondary. Under the new procedure, the secondary manufacturer is exempted from payment of duty, but the principal

manufacturer has to pay duty on the full value of the finished goods.

Difficulties were expressed in the matter of duty liability on the full value of articles of precious metals, like platinum catalysts etc. when the same material is reprocessed a number of times. To obviate this hardship, Government of India have issued notification exempting articles made out of precious metals, namely, gold, silver, platinum and certain other metals mentioned in the notification (falling under item no. 68 of the Central Excise Tariff) which are remade, reconditioned, re-fabricated or subjected to any similar process out of old or used articles, from duty of excise as is in excess of the duty chargeable on the cost charged for such reprocessing and the value of materials, if any, added for the purpose.

Exploration for Diamond by MEC

The state-owned Mineral Exploration Corporation has taken up drilling in Munimadugu area of Andhra Pradesh and Panna in Madhya Pradesh in accordance with the three-year programme of intensive exploration for diamond with experimental processing of the diamond bearing rocks.

A total of 500 metres of drilling has been done and about 200 metres pitting is likely to be done in these areas. Besides, work in Jungal Project in Mirzapur district of Uttar Pradesh is in progress.

The processing work by the National Mineral Development Corporation would be taken in the middle of 1981 after the processing plants are fabricated and installed.

India Now Full Member of ICC

India has become a full member of Inspectorate Coordination Committee (ICC). The Committee is a high level technical body consisting of quality control experts from the member countries. It controls the day-to-day functioning of the scheme for quality assessment system for electronics components.

The scheme has been encouraged by the International Electro-technical Commission (IEC), Geneva, and is managed by a Certification Management Committee (CMC). India has been accepted as a full member of CMC also.

The door is now open for India to sponsor one inspectorate to be considered as National Supervisory Inspectorate (NSI). Once its application has been considered and accepted by the IEC, then they will nominate a team of three international experts to visit India and examine the Inspectorate concerned. Based on their report, this Inspectorate will be accepted as National Supervisory Inspectorate for India.

Once it is done, the test certificates issued by it will be accepted internationally. Depending on the workload, this Inspectorate can in turn approve other inspectorates in the country to do the job on its behalf. However, it will have to continue to bear responsibility for their nomination.

Possibility also exists for Indian NSI to be accepted as supervisory inspectorate for neighbouring countries which may not have the same facilities.

Electrification of More Villages

A record loan assistance of over Rs. 1160 million has been sanctioned by Rural Electrification Corporation (REC) for about 500 new projects spread over 19 States. These projects will help electrify over 7700 additional villages and energise more than 130,000 irrigation pumpsets. In addition, about 120,000 domestic and commercial connections and more than 6700 industrial connections will be provided in the project areas. Of the new sanctions, more than 150 projects involving a loan assistance of over Rs. 600 million, are meant for the electrification of backward areas.

In order to give a further fillip to agricultural production, about 250 schemes have been sanctioned under the Special Project Agriculture (SPA) programme which is being jointly financed by REC, Agricultural Refinance and Development Corporation (ARDC) and commercial banks. Over 100,000 pumpsets will be energised under these schemes in potential areas, with a financial assistance of over Rs. 260 million.

A loan amount of over Rs. 36 million has been sanctioned by the Corporation to electrify more than 3500 Harijan colonies in six States of Andhra Pradesh, Jammu and Kashmir, Maharashtra, Rajasthan, Haryana and Punjab. Over 21,000 streetlight points and a large number of domestic and commercial connections will also be provided in them.

To further improve power supply and reduce line losses, the Corporation has sanctioned 36 system improvement schemes involving a loan assistance of over Rs. 150 million. These schemes will result in substantial saving of electricity which can be utilised to

give more power connections for productive purposes. Under the Revised Minimum Needs Programme (RMNP) the Corporation has sanctioned over Rs. 240 million for 45 schemes. The projects alone will electrify more than 3100 villages and energise 4,000 pumpsets in backward areas.

With this, the Corporation has so far sanctioned more than 4500 projects involving an aggregate loan assistance of over Rs. 14,900 million. Together, these projects envisage electrification of over 200,000 villages and energisation of more than 1065 million irrigation pumpsets in 22 States. The Corporation has already disbursed more than Rs. 10,000 million for the implementation of its projects.

Rubberised COIR Industry

The rubberised coir industry in India went into production in 1963-64. The industry has made steady headway because of acceptance of rubberised coir by automobile industry, railways and defence. The manufacturers have formed an Association, which with the help of Coir Board, envisages to launch an export campaign of rubberised coir products.

The standard items manufactured in rubberised coir industry are mattresses, pillows, cushions, folding car seats, cinema seats, automobile seats, bath mats, carpet underlays, airfilter pads, etc. The basic raw material required for rubberised coir industry is coir fibre and rubber latex which are available in southern states. But the major markets for rubberised coir products are big cities like Bombay, Calcutta, Madras, New Delhi, Bangalore, Jamshedpur, Kanpur, Lucknow etc.

With the help of Coir Board and the Central Coir Research Institute, the industry has already standardised some products and ISI specifications have been obtained. For other items, draft specifications are ready. The industry is being assisted to sell rubberised coir products through Coir Board's show rooms and sales depots all over the country.

Rubberised fibre cushions are superior to other cushioning materials in use due to their less cost, light weight, free flow of air throughout. Further rubberised fibre cushions can be washed, sterilised and cleared thoroughly. This fibre does not absorb water, and more stable against open weather conditions than foam rubber. Moreover, rubberised fibre can be made in any required compression, hard sheets or soft paddings. It can be moulded into any complicated shapes giving the upholstery designer with freedom of choice.

Towards Promotion of Tourism

The question of opening more tourist offices in India and abroad is under the consideration of the Department of Tourism, according to the annual report of the Ministry of Tourism and Civil Aviation for 1980-81. This would ensure a more efficient operational set-up for promotion of tourism.

At present there are 18 offices abroad covering the USA, UK, Canada, Europe, Australasia, East Asia and West Asia. Besides, seven Tourist Promotion Officers are posted in Washington, San Francisco, Miami, Dallas, Melbourne, Osaka and Tehran to promote tourism to India by personal contact with travel trade.

The Report says that domestic tourism is also being given consideration in the planning approach along-with promotion of international tourism. The emphasis in the Five Year Plan 1980-85 will be on building tourist infrastructure of accommodation and transport, entertainment facilities, development of selected areas as mountain and beach resorts for attracting a larger volume of destination traffic, development of cultural tourism as represented by archeological and historical monuments, development of wild life tourism, sports tourism and promotion of youth travel.

According to the report, the planning approach will be to intensively develop the tourist infrastructure at centres falling along the identified travel circuits.

Detailing some of the significant achievements of the Department of Tourism, the report mentions addition of 2633 rooms through the opening of new hotels of internationally acceptable standards; the micro-planning of the tourist complex at Kushinagar; and Sravasti through the National Institute of Design; release of a sum of Rs. 500,000 to the Bharatiya Yatri Awaz Vikas Samiti for providing better facilities for pilgrims and commissioning of the tourist bungalows at Mantralayam and Warrangal in Andhra Pradesh. A total of 800,000 foreign tourists, excluding nationals of Pakistan and Bangladesh, visited India during 1980 registering an increase of 4.6 percent over 1979. The gross foreign exchange earnings from tourism for the year 1980 are estimated at Rs. 4820 million at current prices.

There are at present 21,384 hotel rooms on the approved list of the

Development of Tourism as against 18,751 rooms at the end of 1979-80. India Tourism Development Corporation (ITDC) according to the report, propose to reconstruct hotels at Bhopal in Madhyapradesh Gauhati in Assam and Puri and Konark in Orissa in collaboration with the respective state Governments. Preliminary discussions have also been held with the State Governments of Tamil Nadu, Punjab and Karnataka for setting up hotels and restaurants. ITDC has taken over the management of Hotel Karnavati Ashok at Ahmedabad during the year. It has also taken over the running and catering services of Vigyan Bhavan and Western Courts at New Delhi.

The report says that the Air India completed and commissioned the 747 painting Dock at Bombay at a cost of Rs. 3.9 million. During the first half of the financial year, the Air India's estimated cargo revenue is Rs. 452.3 million as against Rs. 319.6 million during the corresponding period of 1979-80 For the remaining period of six months the Corporation expects to earn a cargo revenue of about Rs. 1200 million.

Sustained Development of Industrial Sector

The recent trends in Industrial production and prices are promising and could provide the foundations for a speedy and sustained development of the industrial sector, according to the annual report of Ministry of Industry for 1980-81.

There has been substantial improvement in the overall disposal of applications as well as in the issue of letters of intent and industrial licences. During the year 1980, disposal of industrial licence applications went up by 62 percent, issue

of letters of intent by 72 percent and issue of industrial licences by 30 percent.

Out of the total the new foreign collaboration applications, 483 applications were due for disposal; out of which 467 cases were disposed of, leaving a balance of 16 applications. The proportion of disposal of new applications with reference to the total due for disposal works out to 96 percent. The main areas of foreign collaboration were in the fields of industrial machinery, electrical equipment, chemicals, transportation, metallurgical industry and machine tools.

The Government of India have taken steps to make available technology for the manufacture of improved versions of power packs to enable the indigenous manufacturers to produce vehicles with better fuel characteristics and endurance. Diversification in the 2-wheeler industry has also been allowed and the existing manufacturers of other types of 2-wheelers have also taken advantage of the same and have introduced improved versions of mopeds.

As there is a substantial demand for mopeds the world over, the moped manufacturers are taking steps to make the vehicles conforming to the standards and the regulations of importing countries. It is expected that in the years to come, export of mopeds will substantially go up. In order to enable the production of mopeds employing the latest technology and affording the maximum fuel efficiency besides enabling better utilisation of the capacities of established units, Government have permitted foreign collaboration for the manufacture of mopeds.

Efforts are being made to augment the production of scooters by strengthening the public sector unit. A unit manufacturing a popular brand of scooters in the private sector has been granted expansion. Scooters manufactured in the country are quite popular abroad and exports are quite substantial.

Automobile ancillaries support the growth and development of the entire automotive sector. The demand for automobile components arises not only from the original equipment manufactures but also from the replacement market.

There are at present more than 190 units manufacturing automobile components in the organised sector besides a large number of units in the small scale sector. The total installed capacity is estimated at around Rs. 6000 million at current prices. During 1979-80, the total production in this sector has been of the order of Rs. 4041 million which is nearly 15 percent higher as compared to that of 1978-79. The production during 1980-81 is expected to be of the order of Rs. 5000 million in the export field, the automobile ancillary industry has registered an unprecedented growth.

The report points out that self-sufficiency in practically all important items made out of rubber has been achieved. It covers a wide range of products such as automobile tyres and tubes, footwear, V belts, hoses of various types, railway fittings, automobile rubber components, synthetic rubber cots and aprons, surgical and industrial rubber gloves, rubber contraceptives, rubber PVC conveyor beltings, etc.

There are present 106 units engaged in the production of rubber goods in the country.

The leather industry has a tremendous potential. Besides providing employment to 1 million families, mostly belonging to weaker sections of society. This industry also constitutes one of the important sources of foreign earnings. The National Leather Emporium set up by the Bharat Leather Corporation in May 1979 at New Delhi is acting as a show window for the entire leather industry in the country. It has steadily increased its sales from Rs. 1,05,000 during January 1980 to Rs. 275,000 during July 1980 and Rs. 365,150 during October 1980. The target for 1980-81 is a turnover of Rs. 2.4 million.

The Department of Heavy Industry has continued to play an effective role in bringing about necessary interaction in industrial matters with other friendly countries. Filling up gaps in knowledge through discussions with important representatives of other countries has been an effective instrument in furthering mutual cooperation. The Department is the nodal agency for the Joint Commissions with the German Democratic Republic, Hungary and Libya for which the Minister of Industry is the Co-Chairman.

The principal objective in this sphere of activity is to develop and promote the sharing of Indian technology with friendly countries and promote export of Indian equipment, services and consultancy overseas, and simultaneously to explore the possibilities of importing modern and sophisticated technology from the developed countries.

Significant progress has been achieved in securing Indian participation in projects in countries such as Iraq, Kuwait, Syria, Saudi Arabia, Libya, Algeria, Tanzania, Nigeria, Zambia, Kenya, Malaysia, Indonesia, Sri Lanka and Thailand. A special Task Force has been set up by the Department for the promotion of India-assisted projects in Saudi Arabia.

The aggregate output of heavy industries has increased from about Rs. 32,000 million in 1976-77 to over Rs. 50,000 million in 1979-80. During the year 1980-81, there has been considerable improvement in production in several sectors of heavy industry.

In the period April-November, 1980, the industries which have improved their performance over the corresponding period of last year include three wheelers (96.5 percent), scooters and mopeds (59.6 percent), metallurgical machinery including steel plant equipment (43.2 percent) chemical and pharmaceutical machinery (32.2 percent), mining machinery (30.1 percent), machine tools (21.6 percent), diesel engines (12.8 percent), power driven pumps (30.9 percent), agricultural tractors (9.2 percent), cement machinery (8.0 percent).

There are, however, a few industry-groups where the performance is still not satisfactory. Production monitoring groups for these industries have been constituted to prepare action plans to arrest and reverse the declining trend in production. Several measures initiated by Government to remove bottlenecks have started showing results as noted from improved allround production from September-

October onwards. It is expected that the same trend will endure.

Export of engineering goods have come to constitute the largest package in country's overall export efforts. Due to the steps taken by Government in the year 1980-81, export of engineering goods during April-September by about 80 percent as compared to the same period last year.

Apart from the overall growth in exports of engineering goods, the shift during the last six years towards export of capital goods and turnkey projects is being accelerated. The

Engineering Export Promotion Council (EEPC) expects to increase the share of capital goods and turnkey projects from about 38 percent in 1978-79 to 50 percent of the total exports of engineering goods by 1990-91. Considering the relatively greater flexibility in increasing engineering exports and confidence in securing a larger share of export market particularly in the oil producing and other developing countries, the target for export of engineering goods by 1990-91 has been projected at Rs. 100,000 million.

Public sector undertakings under the

Department of Heavy Industry by virtue of their leadership in respective sectors and their inherent strength have emerged as major exporters. These public sector units have executed export orders worth Rs. 1670 million during April-December, 1980.

The total exports of public sector undertakings during the current year are estimated to be around Rs. 3001 million, 25 percent more than the exports of Rs. 2400 million during 1978-80. Orders outstanding for execution with these undertakings stood at Rs. 8940 million at the end of December 1980.

Programme of Forthcoming Participations in Trade Fairs/Exhibitions Abroad

- | | |
|--|------------------------------|
| 1. New Zealand International Trade Fair, Auckland (New Zealand) | July 29—August 5, 1981 |
| 2. Budapest International Autumn Fair, (Consumer Goods), Budapest (Hungary) | September 18-27, 1981 |
| 3. Tehran International Fair, Tehran (Iran) | September 19—October 1, 1981 |
| 4. Ghent International Fair, Ghent (Belgium) | September 12-27, 1981 |
| 5. Baghdad International Fair, Baghdad (Iraq) | October 1-15, 1981 |
| 6. Indian Exhibition, Sydney (Australia) | October 6-9, 1981 |
| 7. Bucharest International Fair, Bucharest, (Romania) | October 15-23, 1981 |
| 8. Pret-A-Porter Feminin (International) Exhibition for Ladies Ready-to-Wear Clothing, Paris, (France) | October 17-21, 1981 |
| 9. Santiago International Trade Fair-FISA '81, Santiago (Chile) | October 29—November 15, 1981 |
| 10. Indian Exhibition, Nairobi, (Kenya) | January 1982 |
| 11. Indian Exhibition, Bahrain | February 1982 |
| 12. Cairo International Fair, Cairo (Arab Republic of Egypt) | March 1982 |
-

For further details, please write to : Chief Exhibition Officer, Trade Fair Authority of India, Pragati Maidan, New Delhi-110001

FACILITIES FOR INTERNATIONAL EXHIBITORS AT IITF, 1981

Trade Fair Authority of India (TFAI) will be organising India International Trade Fair (IITF) from November 14 to December 4, 1981. The main objective of the Fair is to promote international trade and encourage new investments in India as well as in third countries. The Fair will project India's allround progress in the fields of industry, agriculture, trade, science and technology. In this Fair, as many as 50 foreign Governments at the national level and more than 3,000 companies from India and abroad are expected to participate.

With a view to making foreign participation meaningful, a number of facilities are being provided to the international exhibitors for expeditious disposal of the exhibits displayed by them. They are listed below :—

- (1) Government of India have issued instructions to all Ministries and public sector undertakings that as far as possible, in regard to their import requirements, they should make their purchases from the goods that are displayed by international exhibitors at the Fair.
- (2) All Central Government Ministries have been advised to let the TFAI know their import requirements so that these can be circulated to all the foreign governments and firms who wish to participate in the Fair. This will facilitate the concerned Departments to make their selections and order for their purchases from the exhibits that are displayed at the Fair.
- (3) For expeditious disposal of exhibits that are displayed at the International Fair, Government of India have streamlined customs and licensing procedure as under :—
 - (a) Fair Quota to the maximum of Rs. 5 million in foreign exchange per exhibitor has been earmarked for disposal of the exhibits displayed at the Fair.
 - (b) In respect of capital goods upto a value of Rs. 1 million per item Chief Controller of Imports and Exports (CCI and E) has simplified the licensing procedure to ensure that such licence are issued on the spot.
 - (c) In respect of items of the value of over Rs. 1 million, special meetings of the Capital Goods Committee (CGC) will be convened to ensure that these applications for import licences are disposed of immediately.
 - (d) Items falling under Open General Licence (OGL), and Indian importers holding licence for the items of their purchase, will be allowed direct purchases and clearance by the Customs located at Pragati Maidan.
 - (e) Customs and Chief Controller of Imports and Exports offices will be located at Pragati Maidan to facilitate expeditious clearance of goods.
 - (f) As an incentive for developing countries to participate in the Fair, following items of consumer goods which are otherwise banned for import into India, have been permitted for disposal by the developing countries participating in the Fair : handicrafts, garments, jute goods, toys other than electronics, cosmetics, house-hold goods other than electrical and electronics, ladies fashion wear, leather goods, glass-ware, dry fruits, and honey.
 - (g) International exhibitors have been allowed duty-free import of publicity and advertising materials for free distribution during the Fair.
 - h) To make participation more attractive, several other relaxations in regard to customs and licensing regulations have been agreed to by the Government.

The licence fee will be Rs. 100 per square metre for open area and Rs. 400 per square metre for covered area. Foreign participants will, of course, be required to pay the fee in foreign exchange. Further details may be obtained from the Trade Fair Authority of India, Pragati Maidan, New Delhi-110 001.

economic and commercial news



Lily

News Highlights

BHPV Bags Overseas Consultancy Contract

Bharat Heavy Plate and Vessels Ltd. (BHPV) has finalised a contract with Societe Nationale De Constructions Metelliques (SN Metal) of Algeris for providing consultancy services and technical assistance in specialised fields of fabrication. The contract will enable India to earn foreign exchange to the tune of US \$ 5.7 million. The contract, will be valid for a period of 4 years to begin with. The contract has been signed in Algeria by Chairman and Managing Director, BHPL, Mr. T.V. Mansukh and Mr. Mokhtar Maherzi, Director General, SN Metal.

TCIL Bags One More Contract in Yemen

The Telecommunications Consultants India Ltd (TCIL) has bagged one more contract in Yemen Arab Republic for the construction of local cable network at a total cost of Rs. 25 million. TCIL has already executed two major projects in Yemen Arab Republic, one costing about Rs. 80 million for construction of

Export Performance and Potential

New Economic Co-operation Agreement with EEC

The new Commercial and Economic Cooperation Agreement between European Economic Community and India signed at Luxembourg recently provides, among other things, promise by the Community to take all possible measures to intensify its support for India's development programmes. This will be done through direct concessional transfers as well as through institutional and other sources of finance in accordance with the rules and policies of such institutions. The Agreement was signed by Mr. Khurshed Alam Khan, Minister of State for Commerce, on behalf of India and by Mr. Van Dor Klaauwijn, Foreign Minister of the Netherlands and Mr. Wilhelm Haferkamp, Vice-President, incharge of External Relations, on behalf of Community and Commission, respectively.

The new Agreement is a considerable advance on the 1973 Agreement which limited Indo-EEC co-operation generally to trade matters. The new provisions of significance enumerated in the Agreement include acceptance by the parties of the need to promote new relations of dynamic complementarity, based on comparative advantage and mutual benefit in the industrial field.

Some of the other agreed provisions are : consultation and cooperation on international commercial and economic problems, jointly identifying possibilities for increased production and improved marketing prospects,

cable network and another costing Rs 24 million for installation of 40,000 subscriber's lines.

Indo Cuban Cooperation in Drugs Technology

India and Cuba have signed a memorandum of discussions, reflecting latter's interest in Indian collaboration in the field of pharmaceuticals. The Cuban side showed interest in technologies for about 10 basic drugs which included sulphamethizole, chlorpropamide, glydenolamide and Indian side agreed to explore possibilities in this respect. The Cuban side also evinced interest in procuring technology for alcohol-based chemicals such as ethyl acetate, butanol, acetaldehyde etc.

Indo-Algerian Shipping Agreement

India and Algeria initialled recently a draft bilateral Shipping Agreement. Pending ratification of this Agreement, the concerned shipping organisations of the two countries will start commercial level discussions. It is expected that the commencement of shipping service would give an added fillip to the growing economic and commercial ties between the two countries and would be a concrete demonstration of the decision taken by the two countries to maximise co-operation between themselves as also south-south cooperation.

Contents

Export Performance and Potential	
New Economic Cooperation Agreement with EEC	1
Boosting Indo-Zimbabwean Economic Cooperation	2
Indo-Australian Accord on Energy Cooperation	3
Report of Task Force on Entertainment Goods Exports	4
Export Finance	5
Industrial Growth and Diversification	
DGTD Units Achieve Higher Growth	6
Stepping Up Oil Production	6
Significant Hike in Railway Units Production	7
Duty Concession for Match Industry	7
Price Policy for Raw Jute for 1981-82	8
Augmenting Fertiliser Capacity	8
All India Handlooms and Handicrafts Board	9
Improved Performance of IAAI	9
Paper Industry : A Resume	10

Material received from various sources is published in this weekly in the interest to export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this journal.

promotion of industrial cooperation and transfer of technology through concerted measures, promotion of increased and mutually beneficial investment consistent with the relative laws and policies and encouraging technological and scientific cooperation including joint programmes of research and development in various fields including energy sources, energy conservation, energy related technology, protection and improvement of the environment.

The machinery for ensuring the proper functioning of the Agreement will be a joint commission, which, will be composed of representatives of the parties and will meet atleast once a year in Brussels and New Delhi.

In the annexures of the Agreement, the Community has expressed its preparedness, in the course of its endeavours to improve the Generalised System of Preferences, to take into account the interest of India and also to examine possibilities of further tariff adjustments to promote the development of trade between India and the Community.

Boosting Indo-Zimbabwean Economic Cooperation

With a view to expanding trade and economic cooperation between the two countries, India and Zimbabwe have concluded a trade agreement recently in New Delhi. The agreement was signed by Mr. Pranab Mukherjee, Union Minister of Commerce and Steel and Mines, and by Dr. Witness Mangwende, Minister of Foreign Affairs of Zimbabwe.

The two countries agreed to encourage exports and imports from each other &

have worked out an indicative list for the same. Among items offered by India for export to Zimbabwe are engineering goods, industrial plant and machinery, steel structures, industrial fasteners, non-ferrous products, diesel engines and compressors, chemicals and allied products electronics items and miscellaneous manufactures. The items which have been indicated for import from Zimbabwe include asbestos, steel, textiles and cotton yarn, pharmaceuticals and handcraft products.

All payments made between the two countries in pursuance of this agreement will be in freely convertible currency. The two countries have also agreed to allow the organisation of trade fairs and exhibitions in each other countries. While agreeing to grant each other Most Favoured Nation Treatment, India and Zimbabwe have also agreed to establish a joint committee consisting of representatives of the two countries for effective implementation of this agreement.

The trade agreement will remain in force for a period of two years from the date of enforcement to be automatically renewed thereafter for a further period of two years, unless a written notice of its termination six months prior to the expiry of agreement is given by either country.

Mr. Mukherjee and Mr. Mangwende have also signed an agreement of economic and technical cooperation on behalf of their respective governments. The agreement provides :

- (a) exchange of personnel for training purposes including

practical and academic training in technical and other institutes, factories and other production centres in each country, grant of scholarships;

- (b) exchange of visits of experts and government officials in economic and technical fields with a view to acquiring expert knowledge, lecturing and instructing in the other country;
- (c) exchange of services of experts in economic and technical fields;
- (d) preparation and exchange of technical documentation, including the exchange of corresponding information;
- (e) cooperation between production enterprises in exchanging technology and in finding the most suitable technical solutions and attaining increased productivity;
- (f) cooperation in establishment of industries, including small scale industries;
- (g) cooperation in the development of infrastructure;
- (h) cooperation in agriculture and fisheries;
- (i) cooperation in the exploration and exploitation of oil and natural gas resources; and
- (j) taking all necessary steps to encourage tourism and facilitate travel between the two countries and exchange of technical assistance and expertise between the organisations in the two countries employed in the promotion and marketing of tourism.

This agreement will remain in force for a period of 5 years. Thereafter it will be renewed for successive periods of one year at a time by tacit agreement.

In the Indo-Zimbabwean joint communique issued at the conclusion of talks between the Prime Minister of India; Mrs. Indira Gandhi and Mr. Robert Garibiel Mugabe, Prime Minister of Zimbabwe, both the leaders expressed their satisfaction that the bilateral relations between the two countries have been progressing smoothly. They felt that there was scope for further strengthening mutually beneficial cooperation in various fields. The Prime Minister of Zimbabwe expressed satisfaction at the assurance by the Prime Minister of India to provide assistance for the developmental programmes of Zimbabwe, particularly in the fields of small-scale industries, cooperatives and for increased technical training and educational facilities for Zimbabwean students. It was agreed that India would make available a government-to-government credit of Rs.50 million to Zimbabwe for the import of Indian machinery and equipment and a further IDBI credit of Rs. 50 million for similar imports. Details regarding these credits would be worked out through diplomatic channels.

Both sides also expressed satisfaction that the following agreements had been signed during the visit of the Prime Minister of Zimbabwe:—(1) Trade Agreement; (ii) Economic and Technical Cooperation Agreement; and (iii) Cultural Agreement. They felt that such cooperation reflected the principles contained in the Economic Declaration of the sixth non-aligned Summit that economic cooperation for

development among the non-aligned and other developing countries was an important part of the endeavour for the establishment of a new International Economic Order.

Indo-Australian Accord on Energy Cooperation

India and Australia have agreed to expand their bilateral cooperation in the area of energy research and Development, particularly in problems relating to new and renewable sources of energy. This emerged from discussions between the Union Minister of State for Science and Technology, Electronics and Environment, Mr. E. P. N. Singh and the Australian Minister for National Development and Energy, Mr. J. L. Carrick.

Among the areas for cooperation would be bio-conversion, coal technology, solar thermal applications, mini and microhydel technology etc. Teams of scientists would be exchanged in order to identify specific projects of interest of the two countries.

The discussions also covered cooperation under the frame-work of the Commonwealth Regional Consultative Group on Energy, which met in New Delhi in May last. The possibility of arranging the next meeting of the Group in one of the Pacific Island countries along with an exhibition of equipment for utilising solar, wind and biomass energy was discussed.

The Indian and Australian sides noted that there was an agreement between the two countries in science and technology and cooperation in certain areas of solar energy was already progressing.

Report of Task Force on Entertainment Goods Exports

The present liberal attitude of the Government of India as reflected in the 1980-81 budget, towards electronics industry should be maintained throughout the Sixth Plan Period to ensure its speedy growth. Fiscal incentives should be increasingly used to develop this industry and add to the export effort which is sensitive to the price factor at the micro-level.

This has been recommended by the Task Force on Export of Entertainment Goods, which submitted its report recently. The Task Force had been constituted on May 9, 1980 under the chairmanship of Mr. A. K. Dutt, Secretary, Ministry of Information and Broadcasting. It was felt that the export of cinematographic films and other items of entertainment goods like cassettes, radios, tapes, gramophone records have high export potential and the Task Force was asked to study the various aspects and recommend suitable measures to increase the export of entertainment goods.

The Task Force has recommended that benefits given in the budget to new manufacturing investments, viz. exemption of 25 percent of profits from corporate income tax be extended also to units exporting 75 percent or more of their products in a financial year. Facilities of bonded warehouses should be permitted to units located anywhere in the country and the Central Government should also set up bonded warehouses stocking raw materials, components and such assemblies, which may be done through the Electronics Trade and Technology Development Corporation (ETTDC) or the export houses. It has

also recommended setting up of a separate export promotion council for this industry.

The Task Force has recommended that National Film Development Corporation should play a pre-dominant role in the promotion of export of films and it should take particular interest in exporting low Budget quality films and regional films. Development of non-traditional markets and exploration of TV circuits should also be given a high priority. The Corporation should also promote export of short films and documentaries and should have the status and the authority of an export promotion council. The Corporation may also consider setting up of business offices abroad for collection and collation of relevant information and data and to serve as show windows. The Task Force has also endorsed the recommendation of the Working Group on National Film Policy to continue the present scheme of canalising export through NFDC.

It has been recommended that imports of equipment required for upgradation and modernisation of shooting and processing of films be permitted freely and that such imports may be treated at par with the imports of capital goods and equipment for industrial projects and charged duty at the reduced rate of 25 percent to encourage modernisation. In respect of non-traditional areas, the Task Force has recommended export of films on the basis of minimum guarantee and shared receipts. It felt that export of negatives may also be permitted in exceptional cases with a view to generating additional earnings and improving the quality of films, particularly for TV circuits (16mm) and non-traditional

sophisticated markets. The existing scheme of advance licensing without payment of duty and duty free REP imports may also be extended to this sector to restore necessary competitive edge to Indian exports. To encourage production of a new genre of TV films in the export market, the Task Force felt that the domestic market for this type of films has to be developed and for this Doordarshan can and should play a very important and pioneering role. Video cassettes can also generate sizeable exports within a short period and the Task Force has recommended that the sales of video rights should be canalised through NFDC.

The Force has recommended that the censorship guidelines for films meant for export should be on somewhat liberal basis. The existing rules, regulations and laws relating to co-productions, joint ventures and shooting of films in India should be revised with a view to encouraging such activities and it has been recommended to set up an inter-Ministerial group for working out the fresh comprehensive guidelines. A small committee consisting of the representatives of the Ministry of I and B, Finance and film laboratories be set up to restructure existing procedure to cut down delays and reduce the formalities regarding imports, processing and re-export of foreign shot-films. The Task Force recommended that NFDC may try buying some films of Sri Lanka, Pakistan and Bangladesh in exchange of Indian films and that it should coordinate increasing Indian participation in the market sections of film festivals. It has also recommended a liberal cash-cum-freight assistance for five attempts to promote exports of short-

films which may also be made available for short TV films not exceeding one hour playing time.

The Task Force has recommended that in order to liberalise cash support given to units manufacturing cine equipment for promoting their exports REP licences of at least 10 Percent be also given to them. This may be given for a period of five years.

The Task Force has further recommended that Government may consider the possibility of advancing loans and giving assistance for organising few cultural bodies which should sponsor entertainment troupes for earning more foreign exchange and a new incentive oriented scheme which would enable such entertainers to claim exemption in respect of 50 percent of their foreign exchange earnings abroad and be taxed only on the remaining 50 percent, may also be considered.

In order to promote exports in price sensitive markets, the rate of cash assistance with regard to radio and radio parts be restored to 20 percent and it should be maintained for at least five years. Components should be allowed to be imported free of duty subject to their re-export in equipment with a minimum value addition of 20 percent. Export opportunities involving foreign collaboration should be fully exploited within the framework of existing guidelines and prescribed norms.

With a view to encouraging manufactures of black and white TV sets to exploit the export market, the Task Force has recommended that cash assistance available to them be restored to 20 percent and kept at that level for the next five years.

Foreign collaboration should be permitted freely in respect of local manufacturers of electronic games and hobbies. In respect of tape-recorders and two-in-ones, the Task Force has recommended that all limitations of capacities should be waived to enable units to grow and fully exploit both the domestic and the export markets. It has further recommended that the gramophone industry should be allowed adequate representation in the export promotion council for plastics and linoleums.

Export Finance

A number of facilities are provided by the commercial banks to the Indian exporters at a concessional rate of interest so as to enable them to compete effectively with those of the other countries. These are :

(a) Pre-shipment credit by way of Packing Credits or back to back inland letter of credit, in favour of local suppliers and (b) Post-shipment credits in the form of loans against receivables in the form of FBP UFBP, loans against cash subsidy and duty draw-backs and advance against bills of collection. In addition to these bid bonds, performance bonds advance payment guarantees are executed, and (c) In respect of L/C's opened by the foreign importer with red clause, banks are in a position to give packing credit liberally.

The rates of interest on Pre-shipment Credit and Post shipment credit are as follows :

Pre-shipment Credit

(a) Specified medium and heavy

* (By Gopal Krishnan, Manager International Trade, Bank of Baroda)

engineering goods and construction contracts.

upto (i) 180 days 12.50

(ii) beyond 180 days and upto 270 days 15.00

(b) Other specified goods (e. g. carpets, leather manufactures, coir, cashew, tobacco, etc.

upto 110 days. 12.50

(c) Other goods and consultancy services.

(i) Upto 90 days 12.50

(ii) Beyond 90 days and upto 135 days 15.00 percent

(d) Against cash incentives etc. covered by ECGC guarantee (upto 90 days) 12.50

Post-shipment Credit

(i) Demand bills-for transit period (as specified by FEDAI) 12.50

(ii) Usance bills-upto 100 days comprising usance period as specified by FEDAI and grace period wherever applicable. 12.50

(iii) Cash incentives, duty draw-back, etc. receivables covered by Export Production Finance Guarantee of ECGC (upto 90 days) 12.50

(iv) Undrawn balances (upto 90 days) 12.50

(v) Against retention money (for supplies portion only) payable within one year from the date of shipment (up to 90 days) 12.50

In order to protect the interest of the exporters, the Export Credit and

Corporation issues policies for protecting the exporter from political and commercial risks. In order to encourage the commercial banks to finance the exporters, the ECGC gives guarantee to commercial banks by way of post-shipment as well as pre-shipment guarantees. Since the bankers are protected against the risk of failure by the export proceeds, commercial banks are keen on financing exporters.

These days various foreign banks are opening L/Cs wherein no reimbursement clauses are incorporated. In the absence of reimbursement instructions, the negotiating bank is in a position to get finance only after considerable time. Hence a few banks are reluctant to negotiate such L/Cs. In order to help the exporters, the commercial banks give suggestions to the exporters regarding the various protective clauses to be incorporated in the letters of credit and contracts. Further if the exporters consult the commercial banks in advance as to how they can be protected from exchange fluctuations commercial banks only will advise the exporters suitably.

For instance, the contracts may be denominated in Indian rupees or forward covers can be provided. The above mentioned suggestions are only illustrative. If the exporters approach the banks they will give comprehensive suggestions on various points. Further, banks will be in a position to obtain credit reports on various importers. In case the exporters are interested in trade enquiries, the banks will only be too glad to furnish them through their foreign branches or correspondents.

In addition to the provision of credit facilities, the banks also execute guar-

antees on behalf of their clients. In some countries the importers insist on Performance Guarantees in respect of the goods imported by them. Sometimes they also insist on the submission of Bid Bonds along with the tenders. In case the importer is in a position to give advance payment, an Advance Payment Guarantee will also be required by him. In such cases, the banks will be in a position to point out the onerous clauses in guarantees. In short, apart from execution of various guarantees, suggestions are also given to protect the interest of the exporter.

Industrial Growth and Diversification

DGTD Units Achieve Higher Growth

The growth in DGTD (Directorate General of Technical Development) sector of industries during April 1981 was 13.1 percent compared to April 1980. Thirty-five industries achieved growth of more than 25 percent. Significant among them being nitrogenous fertilisers, aluminium, newsprint, penicillin, agricultural tractors, commercial vehicles, jeeps etc.

Another 35 industries have recorded growth in the range of 10 to 25 percent. Some of them are paper and paper board, phosphatic fertilizers, Caustic soda, soda ash, electric motors, railway wagons etc.

This significantly good growth during April 1981 brought the growth during the first four months of 1981 (i.e. January-April 1981) at a level of 106.

percent when compared to the same period last year.

Stepping up oil Production

India would be significantly increasing its domestic production of oil during the current year and quantitatively importing less to ease its foreign exchange burden. Provisional estimates of imports of crude oil and petroleum products for 1980 indicate that the country had to spend Rs. 47,350 million in foreign exchange for import of 16 million tonnes of crude and 6.42 million tonnes of products. In terms of value, this was almost double of the amount spent in 1979 when 13.4 million tonnes of crude valued Rs. 17,168 million and 3.93 million tonnes of products valued at Rs. 7,057 million were estimated to have been imported.

The large outgo of foreign exchange on imports of crude and petroleum products in 1980 was primarily due to sharp increases in the world market of the prices of crude oil which alone cost the country Rs. 30,267 million. Another Rs. 17,083 million were spent on the imports of deficit products. There was sharp rise in the imports of petroleum products which went up from 3.93 million tonnes in 1979 to 6.42 million tonnes in 1980 due to certain constraints. Only 9.4 million/tonnes of crude oil could be produced in 1980 as compared to 12.8 million tonnes produced in 1979. The petroleum products yield also fell from 26.4 million tonnes in 1979 to 23.6 million tonnes last year.

The indigenous production of crude oil during 1981-82 was expected to go up to 16.9 million tonnes from

the projected estimates of 10.2 million tonnes by 1980-81 largely on account of significantly increased production from offshore Bombay High and also some rise in production from onshore fields. Crude oil imports, therefore, were expected to come down from 16.97 million tonnes in 1980-81 to 14.50 million tonnes during the current year.

Since the estimated total consumption of petroleum products during 1981-82 would be 34.80 million tonnes and the refineries would be able to produce 28.90 million tonnes of products, 5.90 million tonnes of deficit products like kerosene, diesel, fuel oil etc would have to be imported.

Products imports would, however, be less than the imports during 1980-81 which were estimated at 7.08 million tonnes. This would be made possible due to increased domestic production of products.

Thus, although total consumption of petroleum products will have gone up by 3.83 million tonnes from 30.97 million tonnes level in 1980-81, both crude oil and products imports were expected to go down by 2.47 million tonnes and 1.18 million tonnes respectively.

Significant Hike in Railway Units Production

The Diesel Locomotive Works, Varanasi, achieved a record production of 166 diesel locomotives in 1980-81 against its production capacity of 140 locomotives.

The Chittaranjan Locomotive Works, which produces diesel shunting locomotives and electric locomotives, also set a new record by producing

106 locomotives in 1980-81. Of these, 69 were electric locomotives and 37 diesel locomotives.

The Integral Coach Factory at Perambur which had a target of producing 714 coaches in 1980-81, produced 720 coaches during the year.

Excess production of diesel locomotives has enabled the Railways to deliver about 20 diesel locomotives to public sector undertakings like Steel Authority of India Limited, National Thermal Power Corporation and Visakhapatnam Trust for their use. The Varanasi unit has also exported 15 diesel locomotives to Tanzania.

Coaches from the integral Coach Factory are being exported to various countries in South-East Asia and Africa. The factory has already exported 250 coaches and 350 bogies and is at present executing an order of 32 bogie breakvans for Nigeria.

Duty Concession for Match Industry

Central excise notification no. 136/81-Central excise has been issued in the gazette of India extraordinary on June 30, 1981 extending the present arrangements (prescribed in Central excise notification no. 99/80 dated June 19, 1980 as amended) in respect of eligibility, prescription and approval of labels and marketing of matches in respect of units in the KVIC sector.

It may be recalled that, as part of the 1981 budget and with effect from April, 1981, certain mechanical processes including box making and labelling were specified, in relation

to which the use of power would disentitle middle sector and cottage sector match units from claiming the benefit of the concessional rates of excise duty of Rs. 4.50 and Rs. 1.60 per gross boxes (50 matches each) respectively applicable to the two sectors. The use of power in the specified processes would attract a higher rate of excise duty of Rs. 5.50 per gross boxes of matches.

In the wake of post-budget representations pointing out certain difficulties, it was decided to defer enforcement of the above condition in relation to box making and labelling from April 1 to July, 1981. The matter has been further examined and certain decisions have been taken, as spelt out in the following paragraphs. Notifications giving effect to these decisions are under issue.

(i) It has been decided that, having regard to the relatively lower employment potential in the production of card board match boxes, as compared to the production of veneer match boxes, the use of card board boxes (outer slide or inner slide or both) for packing matches would attract a higher rate of excise duty of Rs. 5.50 per gross boxes of matches whether the match producing unit falls in the cottage or middle sector. The rebates admissible under the present scheme would continue to apply.

(ii) Insofar as match boxes made of wooden veneer are concerned, use of power in the process of giving the veneer flats/strips, the configuration of outer slides or inner slides with match paper

would attract the higher duty rate of Rs. 5.50 per gross boxes whether the match producing unit falls in the cottage or middle sector. In other words, if power is not used in the said process and it is conducted manually, the respective concessional rates applicable to the cottage and middle sectors would be available subject to the other prescribed conditions being satisfied.

- (iii) Similarly, use of power in the process of affixing of labels, by pasting or any other means, on match boxes would also disqualify the cottage and middle sector units from being eligible to the concessional rates of duty applicable to those sectors.

The decisions mentioned in the preceding paragraph are being given effect to from October 1, 1981. This advance notice is being given so that match units which are likely to be affected by these changes may have sufficient opportunity to so arrange their operation that they could continue to be eligible to the benefits of the concessional rates of duty.

There is no change in the restriction regarding use of power in the other specified processes like frame filling etc. for eligibility of cottage/middle sector units to the concessional rates of duty of Rs. 1.60/1.50 per gross boxes.

Price Policy of Raw Jute for 1981-82

The Central Government has considered the Price Policy of raw jute for 1981-82 and decided that the statutory minimum price of W-5 grade of jute be fixed at Rs. 175 per quintal ex-Assam, as

compared to 160 per quintal in 1980-81. This price was fixed in accordance with the recommendation of the Agricultural Prices Commission.

The corresponding prices of other varieties and grades of raw jute will be notified by the Jute Commissioner in terms of Clause 8 of the Jute (Licensing and Control) Order, 1961. In line with the recommendations of the Task Force on Jute Textiles, adequate incentives will be provided for cultivation and production of quality fibre by an in-built incentive in the price structure of raw jute notified by the Jute Commissioner.

The responsibility of price support operations would rest with the Jute Corporation of India (JCI). The JCI proposes to procure 2.1 million bales of raw jute in 1981-82 as compared to procurement of 1006 million bales in 1980-81.

Augmenting Fertiliser Capacity

Sustained efforts are being made by the Government to increase indigenous production of both nitrogenous and phosphatic fertilisers to meet the growing demand of agricultural sector and also to reduce dependence on imports. This objective is sought to be achieved through the setting up of 19 new fertiliser plants-8 for nitrogen and 11 for phosphates in the coming years and also by improving the production performance of existing units. In the Sixth Plan, Rs. 20,980 million have been provided for the development of the fertiliser sector.

The new nitrogenous plants would be in addition to the four large-size gas-based fertiliser plants already approved

by the Government. Of these four, two would be set up at Thal-Vaish (Maharashtra) in the public sector and two others would be at Hazira (Gujarat) in the cooperative sector.

Of the eight new nitrogen plants, six would be based on offshore gas from Bombay High and Basse in fields. Site Selection Committees are busy identifying actual location of these plants in Rajasthan (one) Madhya Pradesh (one) and Uttar Pradesh (four).

Two other nitrogen plants are expected to come up in Namrup (Andhra). The already approved Namrup plant would again be based on natural gas available from the Oil and Natural Gas Commission and Oil India fields in Assam. The Kakinada plant would be based on fuel oil.

Of the 11 proposed phosphatic units, a 0.3 million tonne capacity plant at Paradeep in Orissa is expected to be taken up for implementation during the current year itself.

There are at present 33 nitrogenous fertiliser plants in the country with a total capacity 4.73 million tonnes. With the commissioning of five new fertiliser plants during 1981-82, namely Trombay V, Raldia, Bharuch, Kandla Expansion and Kanpur Expansion this year, nitrogen capacity is expected to be 5.30 million tonnes at the end of 1981-82.

Similarly the installed capacity of phosphates would go from 1.28 million tonnes in 1980-81 to 1.49 million tonnes in 1981-82, when Haldia and Kandla Expansion plants are commissioned.

The targeted production for 1981-82

is 3 million tonnes of nitrogen and 925,000 tonnes of phosphates.

Indigenous production of nitrogenous fertiliser during 1980-81 was estimated at 2.13 million tonnes and of phosphates at 830,000.

All India Handlooms and Handicrafts Board

The Government of India has decided to constitute a joint the All India Handlooms and Handicrafts Board, under the Chairmanship of Mr. Pranab Mukerjee, Minister of Commerce. The Board will advise Government in the formulation of the overall development programmes in the handlooms and handicrafts sectors keeping their socio-economic, cultural and artistic perspective in view.

The term of office of the Board will be for a period of one year, beginning from July 1, 1981. The State Minister for Commerce, Mr. Khurshed Alam Khan and Smt. Pupul Jayakar, Adviser (Handlooms and Handicrafts), Government of India, will be the Vice-Chairmen of the Board. The other members of the Board will include the Ministers incharge of handlooms and handicrafts of various State Governments, Textile Secretary in the Ministry of Commerce, experts in handlooms and handicrafts from various fields and representatives of products and exporters in this sector. The Development Commissioners of Handlooms and Handicrafts will be the Member-Secretaries of the Board.

The Board will advise the Government regarding achievements of the following objects :

- (a) to meet the clothing needs of the country progressively from the handloom sector;

- (b) to make handlooms and handicrafts effective instruments of reducing unemployment and under-employment and achieving higher standards of living for weavers and craftsmen;
- (c) to preserve and further promote the craft heritage of Indian handlooms and handicrafts;
- (d) to devise strategies for expanding markets for handlooms and handicrafts within the country and abroad;
- (e) to take steps for effective co-ordination of the developmental efforts of the various State Governments/Union Territories in these sectors; and
- (f) to review the progress of development from time to time.

Improved Performance of IAAI

The International Airports Authority of India (IAAI) has in hand Rs. 1250 million worth of airport consultancy and engineering works, both in India and abroad. Since its inception the Authority has earned a net profit of Rs. 207.3 million during the first eight years of its existence. This has been stated in the eighth annual report and accounts for the year 1979-80 of the Authority.

The Authority earned Rs. 162.2 million in foreign exchange from landing and parking charges and consultancy projects abroad during the year as compared to Rs. 129.5 million in the previous year.

The revenue of the Authority increased from Rs. 286.8 million in 1970-79 to Rs. 360.3 million in 1979-80. This did not include profit of Rs. 4.27 million from the consultancy projects. The Authority earned a net profit of Rs. 66 million during the financial year as against Rs. 39.9 million earned in 1978-79.

During the year, increase in traffic and revision of landing and parking rates resulted in an overall increase in income of the Authority from traffic operations by 27 percent. passenger traffic passing through the four international airports of the Authority increased to 10.5 million during the year from 9.8 million in 1978-79. The international passenger traffic increased from 4.31 million to 4.80 million whereas the domestic traffic increase from 5.54 million to 6.61 million. Cargo traffic of the Authority increased from 1.73 million tonnes to 1.08 million during 1970-80.

A major thrust was made by the Authority during the year in the field of cargo facilitation and consultancies. The Authority was operating air cargo processing centres for international cargo at Bombay, Calcutta and Madras airports. A similar facility for Delhi was planned during the year. Space for handling cargo at Calcutta was doubled. A heavy import cargo building was erected and a mini custom house was commissioned. More space was made available in the import hangar at Madras Airport. At Bompay Airport, construction of an Import Warehouse was in progress during the year. At Delhi Airport, the export cargo terminal was enlarged to provide more space for additional airlines to operate.

As regards airport consultancy abroad, the Authority was awarded construction of Riyan Airport in South Yemen during the year. The Rs. 220 million project was Authority's fifth airport contract abroad.

The Authority completed construction of the Ghat airfield pavement area in Libya during the year. Super-structure of the terminal building designed by the Authority was almost completed. The Authority was also awarded the work for providing run-way lighting system at the Ghat Airport. The work on the Rs. 220 million Brak Airport project in Libya was taken up during the year and Over 35 percent of the work was completed during the year. The construction of the second phase of runway and a terminal building with control tower at the Hulule Airport in Maldives were in progress at the end of the year. The Authority completed its report and detailed engineering drawings and associated documents in connection with the development of the Mafia Airport in Tanzania.

At home, the Authority carried out during the year modernisation of visual lighting aids, strengthening of runways, taxiways, aprons and modernisation to the existing terminal buildings at the international airports.

Paper Industry : A Resume

In 1950-51, when the country launched on its programme of development on the basis of Five Year Plans, the total capacity for manufacture of paper and paper boards was 136,600 tonnes in 17 manufacturing mills. There was no production of newsprint, and the country was dependent on imports of even the common grades of writing and printing paper as well as newsprint.

The production of paper and paper board has been steadily increasing during the last three decades and as on 1st January, 1980, there were 121 units in the organised sector manufacturing paper and board with a total annual capacity of 1.54 million tonnes. The production has reached a level of about 1.1 million tonnes, but there is marginal shortage and it has been necessary to import small quantity of writing and printing paper to make up this deficit. The industry may now be stated to have come of age.

The most important requirement for manufacture of paper and newsprint is cellulosic raw material for producing pulp which is thereafter converted into paper. The primary sources of cellulose are forest raw materials supplemented by secondary sources such as agricultural residues, waste paper, rags, cotton linters and some other waste materials.

Among forest raw materials, the most important is bamboo which is used to the extent of 70 percent in making writing and printing paper, the rest being mixed tropical hardwoods with a small amount of secondary raw materials.

At present the country's resources of bamboo are fully committed for the manufacture of paper except in Bastar and the north-eastern region. Further development of the industry on conventional lines would, therefore, require exploitation of these resources. These areas, however, present special problems as they are remote and lack necessary infrastructure.

Bagasse, a byproduct of manufacture of sugar, is a valuable raw material

for the manufacture of paper. Sugar mills in the country are using bagasse as a fuel and if they could be persuaded to switch over to coal fired boilers substantial quantity of bagasse could become available for the manufacture of paper. Government has announced a package of incentives for groups of sugar mills to combine and take up paper projects based partly on surplus bagasse and partly on bagasse saved by conversion to coal fired boilers.

So far as newsprint is concerned, India is basically lacking in suitable raw materials. Newsprint is a cheap variety of paper produced by mechanical pulping of soft woods which gives a very high yield (90-95 percent) as compared to chemical pulping used for manufacture of paper which gives a yield of only 40 percent. The high yield combined with lower usage of chemicals makes it possible for newsprint to be marketed at about half the price of writing and printing paper of superior quality. In India soft coniferous woods are available only in the Himalayan region and for various reasons, it may not be desirable to exploit them commercially on the scale required for newsprint industry. Ventures for manufacturing newsprint have therefore been experimental. National Newsprint and Paper Mills Limited, Nepa Nagar, the only mill producing newsprint at present, is based on the use of salai, a local hardwood, in admixture with bamboo. The Kerala Newsprint Project being set up by the Hindustan Paper Corporation Limited and the newsprint project of Mysore Papers Mills contemplate use of eucalyptus supplemented by bamboo and reeds. The eucalyptus plantations in Kerala have been found to be susceptible to a

fungus disease and the means of ensuring a sustained supply on long term basis is being investigated. There is also a proposal by the Tamil Nadu Industrial Development Corporation to set up a newsprint mill using bagasse, which is a valuable cellulosic raw material. For mechanical pulping of bagasse, a new technique known as the Cusi process is intended to be employed. By and large, however, the country would have to rely on imports to meet the demand for newsprint.

The paper industry itself has been acutely conscious of the need to ensure sustained supplies and the Indian Paper Makers Association has suggested that a National Forest Policy should be drawn up which would permit the industry to raise its own plantations for manufacture of paper. Government has also been thinking of evolving a suitable policy framework for raising industry oriented plantations of cellulosic raw materials. One of the alternatives is to adopt the practice prevalent in many European countries, where forests are private owned, of papers mills entering into agreements with cultivators for

supply of raw material. The concept of social forestry is yet to gather momentum in India where the cultivator is mainly concerned with raising food crops. The usage of unconventional raw materials for manufacture of paper and newsprint has also become a focal point of research. With the joint efforts of the UNDP/FAO and the Government of India, sophisticated laboratory facilities and a pilot plant have recently been set up at Dehra Dun and Saharanpur which are to form the nucleus of a Central Pulp and Paper Research Institute. The Institute will function as an autonomous body.

It is a widely recognised fact that the paper industry is highly capital intensive and has a long gestation period. These factors have led to a reluctance on the part of the private sector to undertake major projects. Only two large paper mills in the private sector have come up in 1979, in Andhra Pradesh, after a gap of more than 15 years. The Hindustan Paper Corporation Limited, a public sector enterprise, is putting up paper mills in Nagaland and Assam for a total capacity of 233,000 tonnes per annum.

These projects are expected to be commissioned over the next three years. A number of small paper mills with relatively low investment and shorter gestation period have, however, been taken up for implementation by small and medium entrepreneurs basing the production on secondary raw materials such as cereal straw and waste paper. Many of these schemes are based on the use of second-hand imported paper machinery.

In the short-term, there is scope for increased capacity utilisation by the paper industry to yield greater production. The capacity utilisation of the paper industry in the past has been 80-85 percent with some of the large mills achieving more than 100 percent capacity utilisation. In the year 1979-80, capacity utilisation came down to 75 percent and during the last six months of 1980-81, it has come down to 65 percent. Much of the additional capacity has come from small paper mills, whose performance has always been on the low side. A vigorous drive to increase capacity utilisation to achieve a 5 percent increase can adequate additional production.

Programme of Forthcoming Participations in Trade Fairs/Exhibitions Abroad

1. Budapest International Autumn Fair, (Consumer Goods), Budapest (Hungary)	September 18-27, 1981
2. Tehran International Fair, Tehran (Iran)	September 19—October 1, 1981
3. Ghent International Fair, A Ghent (Belgium)	September 12-27, 1981
4. Baghdad International Fair, Baghdad (Iraq)	October 1-15, 1981
5. Indian Exhibition, Sydney (Australia)	October 6-9, 1981
6. Bucharest International Fair, Bucharest, (Romania)	October 15-23, 1981
7. Pret-A-Porter Feminin (International) Exhibition for Ladies Ready-to-Wear Clothing, Paris, (France)	October 17-21, 1981
8. Santiago International Trade Fair-FISA '81, Santiago (Chile)	October 29—November 15, 1981
9. Indian Exhibition, Nairobi, (Kenya)	January 1982
10. Indian Exhibition, Bahrein	February 1982
11. Cairo International Fair, Cairo (Arab Republic of Egypt)	March 1982

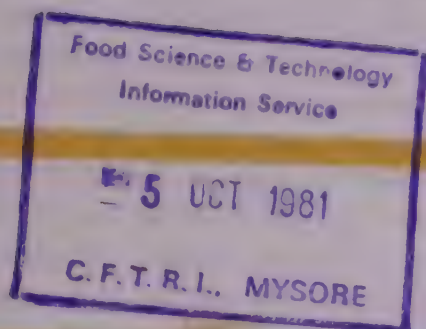
FACILITIES FOR INTERNATIONAL EXHIBITORS AT IITF, 1981

Trade Fair Authority of India (TFAI) will be organising India International Trade Fair (IITF) from November 14 to December 4, 1981. The main objective of the Fair is to promote international trade and encourage new investments in India as well as in third countries. The Fair will project India's allround progress in the fields of industry, agriculture, trade, science and technology. In this Fair, as many as 50 foreign Governments at the national level and more than 3,000 companies from India and abroad are expected to participate.

With a view to making foreign participation meaningful, a number of facilities are being provided to the international exhibitors for expeditious disposal of the exhibits displayed by them. They are listed below :—

- (1) Government of India have issued instructions to all Ministries and public sector undertakings that as far as possible, in regard to their import requirements, they should make their purchases from the goods that are displayed by international exhibitors at the Fair.
- (2) All Central Government Ministries have been advised to let the TFAI know their import requirements so that these can be circulated to all the foreign governments and firms who wish to participate in the Fair. This will facilitate the concerned Departments to make their selections and order for their purchases from the exhibits that are displayed at the Fair.
- (3) For expeditious disposal of exhibits that are displayed at the International Fair, Government of India have streamlined customs and licensing procedure as under :—
 - (a) Fair Quota to the maximum of Rs. 5 million in foreign exchange per exhibitor has been earmarked for disposal of the exhibits displayed at the Fair.
 - (b) In respect of capital goods upto a value of Rs. 1 million per item Chief Controller of Imports and Exports (CCI and E) has simplified the licensing procedure to ensure that such licence are issued on the spot.
 - (c) In respect of items of the value of over Rs. 1 million, special meetings of the Capital Goods Committee (CGC) will be convened to ensure that these applications for import licences are disposed of immediately.
 - (d) Items falling under Open General Licence (OGL), and Indian importers holding licence for the items of their purchase, will be allowed direct purchases and clearance by the Customs located at Pragati Maidan.
 - (e) Customs and Chief Controller of Imports and Exports offices will be located at Pragati Maidan to facilitate expeditious clearance of goods.
 - (f) As an incentive for developing countries to participate in the Fair, following items of consumer goods which are otherwise banned for import into India, have been permitted for disposal by the developing countries participating in the Fair : handicrafts, garments, jute goods, toys other than electronics, cosmetics, house-hold goods other than electrical and electronics, ladies fashion wear, leather goods, glass-wares, dry fruits, and honey.
 - (g) International exhibitors have been allowed duty-free import of publicity and advertising materials for free distribution during the Fair.
 - h) To make participation more attractive, several other relaxations in regard to customs and licensing regulations have been agreed to by the Government.

The licence fee will be Rs. 100 per square metre for open area and Rs. 400 per square metre for covered area. Foreign participants will, of course, be required to pay the fee in foreign exchange. Further details may be obtained from the Trade Fair Authority of India, Pragati Maidan, New Delhi-110 001.



economic and commercial news

News Highlights

IAAI Awarded Libyan Contract

The International Airports Authority of India (IAAI), has been awarded Rs. 350 million airport works at Brak Airport by the Government of Libya. These works comprise stage-II of airport development project which includes extension of the runway by 1300 metres and provision of over-run of 250 metres. The stage-I works costing Rs. 220 million awarded to IAAI earlier, have been completed.

PEC to Supply Coal Wagons to Vietnam

The Projects and Equipment Corporation of India Limited (PEC) will supply to Vietnam 300 coal hopper wagons and spares worth about Rs. 110 million. The contract was signed by the PEC representative with M/s. Machinoimport of Vietnam at Hanoi recently. An earlier contract for supply of 980 wagons, 50 coaches and spares valued at more than Rs. 350 million has since been executed.

Export Performance and Potential

Indian Undertaking Bags High Value Consultancy Contract from Algeria

Bharat Heavy Plate and Vessels, (BHPV), a public sector undertaking has finalised contract with Societe Nationale De Constructions Metalliques (SN METAL) of Algeria for providing consultancy services and technical assistance in specialised fields of fabrication. The contract was signed on June 23, 1981 in Algiers, by Mr. T.V. Mansukhani, Chairman and Managing Director BHPV, and Mr. Mokhtar Maherzi, Director General, SN Metal. This follows a recent visit of Dr. Charanjit Chanana, Minister of State for Industry to Algeria and the memorandum of understanding signed between him and Mr. Mohammed Liassine, Algerian Minister of Heavy Industry,

The salient features of contract are :-

- (a) BHPV will provide consultancy services for conducting in-depth diagnostic studies at two manufacturing plants of SN Metal (Oran-III and Annaba-II).
- (b) BHPV will also provide technical assistance enabling SN Metal to manufacture sophisticated process equipment like pressure vessels, columns, heat exchangers etc.
- (c) The contract will enable India earn foreign exchange to the tune of US \$ 5.7 million (Rs. 48.45 million)
- (d) BHPV will depute a number of its functional specialists, in various

Indian Firms Secure Soviet Contracts

Several Indian firms have concluded recently contracts with the Soviet Union for supply of consumer goods worth Rs. 190 million during 1981-82. These were signed by representatives of Indian firms including the National Federation of Industrial Cooperatives of India (NFIC) and Mr. A.I. Aremeev, who led the Soviet commercial delegation. The commodities to be exported include tea, knitwear, cotton fabrics, stewed fruits, spices and others.

Indo-Hungarian Technical Cooperation

Under a memorandum of understanding signed recently in Budapest, India and Hungary have agreed to promote and develop further cooperation in the field of water resources development. The memorandum envisages exchange of professional experiences, visits and publications with particular reference to economic activities in third countries.

Contents

Export Performance and Potential

Indian Undertaking Bags High-Value Consultancy Contract from Algeria 1

Technical Cooperation in Drugs and Pharmaceuticals between India and Cuba 2

Strengthening Indo-Venezuela Cooperation 3

India's Growing Trade Exchanges with South Asia 3

TCIL's Notable Export Performance 5

Industrial Growth and Diversification

Significant Step-Up in Coal Production 6

More Industrial Licences Issued 7

Augmenting Pesticides Production 7

Committee to Monitor Small Scale Sector 7

Raw Silk Price Stabilisation Scheme 8

Higher Industrial Growth during 1980-81 8

Atomic Power Station at Kakrapar 9

ITI Forges Ahead 9

Material received from various sources is published in this weekly in the interest to export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this journal.

fields such as design, welding, production planning, technology to SN Metal plants in Algeria. At peak this number may touch a level of 40 specialists.

- (e) A few selected personnel from SN Metal will also receive specialised on-job training at the BHPV works in Visakhapatnam.
- (f) The contract will be valid for a period of 4 years to start with.

It is significant that the confidence shown by SN Metal in BHPV, is a measure of the technological capabilities developed by BHPV in manufacture of sophisticated equipment for process industry. It is also hoped that BHPV's entry into export of technical knowhow in the form of software will ultimately lead to the export of sophisticated equipment to other countries.

Technical Cooperation in Drugs and Pharmaceuticals between India and Cuba

India and Cuba signed a memorandum of discussions held in new Delhi during the recent visit of the Cuban delegation headed by Dr. R.D. Vallina. Vice-Minister of Public Health, reflecting Cuba's interest in Indian collaboration in the field of pharmaceuticals the memorandum was signed by Mr. K. V. Ramanathan, Secretary, Department of Chemicals and Dr. R. D. Vallina.

The Cuban side showed interest in technologies for about ten basic drugs which included sulphamethizole, chlorpropamide, glybenolamide and the Indian side agreed to explore possibilities in this respect. The Cuban side also showed interest in

steroid technology and indicated that they would be interested in receiving an offer from India in this respect. The Cuban side was also interested in production of sorbitol from sugar and requested that India may arrange proposal regarding techno-economic feasibility from an Indian party. Since Cuba is a major producer of canesugar and alcohol, the Cuban side showed interest in procuring technology for 11 alcohol-based chemicals, such as, ethyl acetate, butanol, acetaldehyde etc. The Indian side agreed to explore the possibilities in respect of these synthetic drugs and chemicals.

Regarding antibiotics, the Cuban side showed interest in receiving preliminary technical details for setting up an antibiotics plant for the manufacture of penicillin, erythromycin and tetracycline. In respect of penicillin, Cuba indicated that they would prefer the technology which could make use of either molasses or sugar.

In respect of formulations, the Cuban side indicated that they would like India's help in setting up plants for production of pharmaceutical specialities in third countries, for which an agreement could be signed between India, Cuba and the third country. The Indian side requested the Cuban delegation to communicate specific proposals identifying such third countries.

The Cuban delegation during their 12-day stay in the country visited the IDPL Plants at Gurgaon, Rishikesh and Hyderabad and also Hindustan Antibiotics Plant at Pimpri. The delegation also visited Sarabhai Chemicals at Baroda, CIPLA manufacturing unit at Bombay. The delegation also visited Serum Research

Institute, Pune and the Central Institute of Medicinal and Aromatic Plants Lucknow as well as Central Drug Research institute, Lucknow,

Strengthening Indo-Venezuela Economic Cooperation

Possibilities of expanding economic cooperation between India and Venezuela were examined at a meeting in New Delhi, recently between the visiting Foreign Minister of Venezuela, Dr. Jose Alberto Zambrano Velasco and the Union Finance Minister, Mr. R. Venkataraman. It was noted that there was considerable scope for increasing economic cooperation between the two countries bilaterally and at international forums. In this context, Mr. Venkataraman stressed that there was scope for greater cooperation among developing countries. As an example, he said assistance of Venezuela in India's proposed massive programme for oil exploration and development could be beneficial.

The two Ministers also discussed modalities for affording relief to developing countries importing oil in the context of the mounting energy import bills of the developing countries. Views were exchanged on the need for enlarged lending by multilateral institutions for developing energy projects including oil exploration and development.

Various modes of achieving higher levels of lending to the energy sectors were discussed. In this context, reference was made to the proposal for an energy affiliate of the World Bank. The question of establishing Third World Bank was also briefly touched upon.

India's Growing Trade Exchanges with South Asia

India's trade with South Asian countries comprising Afghanistan, Iran, Pakistan, Bangladesh, Nepal, Sri Lanka, Maldives and Bhutan have been growing over the years. Exports to these countries marked up an increase of about 19 percent as compared to exports in 1978-79; exports in 1979-80 being Rs. 4080 million as against Rs. 3420 million in 1978-79. Similarly, imports from this region in 1979-80 have recorded a rise of nearly 70 percent over those in 1978-79; the relevant figures being Rs. 6950 million for 1979-80 and Rs. 4070 million for 1978-79. A large part of the increase in imports is due to substantial step-up in imports from Iran to Rs. 6200 million in 1979-80 from Rs. 3480 million in 1978-79 which were much lower than the imports from that country in 1977-78. The bulk of imports from Iran consists of petroleum and petroleum products. A feature noticed in the trend of India's trade with this region during 1979-80 is that while in the earlier years, India had been having a consistently favourable balance of trade, except in the case of Iran, in the year 1979-80 India had adverse balance of trade in the case of Pakistan in addition to Iran. This adverse balance of trade with Pakistan may be explained by the fact that during 1979-80, the country imported substantial quantities of petroleum products from Pakistan while exports to that country suffered a set-back for the second consecutive year as pending finalisation of a new trade agreement, trade of Pakistan side continues to be restricted to the public sector.

India's trade relations with Afghanistan are governed by the new Trade

Agreement signed between the two countries on June 24, 1978. On the basis of this agreement, trade between the two countries is being conducted in freely convertible currencies through normal banking channels as against the modified barter system which was in force, prices June 1978. The 1978 agreement which was valid for a period of one year initially stands automatically renewed for a period of one year each time unless one of the parties gives to the other one month's notice in writing, before the expiry, of any such period to terminate the agreement. Operations in the Special Account of Da Afghanistan Bank with the State Bank of India in terms of Indo-Afghan Trade and Payments Agreement 1975 terminated on December 31, 1980. Exports to Afghanistan in 1979-80 were of the order of Rs. 210 million while imports for the same period totalled Rs. 170 million.

Trade with Iran is presently governed by the Trade Agreement of 1974 which was initially valid till December 1979. The agreement provides for automatic extension from year to year unless either party gives notice of termination or makes a request for a new agreement in writing, three months prior to the expiry of the agreement. The Iranian Minister of Commerce, visited New Delhi during June 9-13, 1980 as a head of a high level inter-disciplinary delegation. In the course of detailed discussions with the visiting team, specific areas in which India could cooperate with Iran through supplies of good and equipment, consultancy services, technology etc., were identified in the fields of trade, industry, shipping, transport, railways, planning and science and technology.

It was also decided, inter-alia, to constitute a Committee on Trade which, in

terms of the Trade Agreement of 1974, would meet at appropriate levels alternatively at New Delhi and Tehran. Follow-up action is under way. Imports from Iran in 1979-80 soared to Rs. 6200 million after dipping to very low level of Rs. 3480 million in 1978-79. Exports to that country moved up to Rs. 1000 million as compared to Rs. 920 million in 1978-79.

Indo-Pakistan Trade Agreement which came into force on January 23, 1975 and which was modified from July 15, 1976 to throw open trade between the two countries of the private sector lapsed on January 22, 1978. Meanwhile in terms of the understanding reached in October 1978, trade on Pakistan side continues to be conducted through the public sector. On the Indian side, both public and private sector agencies are participating in such trade. Exports to Pakistan in 1979-80 amounted to Rs. 90 million as compared to Rs. 190 million in 1978-79. Imports from Pakistan in 1979-80 have, however, recorded an increase and touched a level of Rs. 240 million as against Rs. 130 million in 1978-79. The increase in imports from Pakistan is on account of import of substantial quantities of petroleum products from that country.

India's trade with Nepal is regulated by the Indo-Nepal Treaty of Trade, Treaty of Transit and Agreement for Co-operation to Control Unauthorised Trade, 1978. These were signed on March 17, 1978 and are valid for five years, seven years and five years, respectively.

The Indo-Nepal Treaty of Trade, 1978 provides for concessional imports into India of certain categories of Nepalese

manufactures. In pursuance of this provision, the Indo-Nepal Inter-Governmental Committee, which held its second meeting in New Delhi during September 3-7, 1979 in terms of the letters exchanged at the time of the signing of two treaties and agreement for cooperation decided the procedure for determining the eligibility of Nepalese industrial products for preferential entry into India. In accordance with this procedure, the Government of India have so far notified 16 products for preferential entry into India. The third meeting of the Indo-Nepal Inter-Governmental Committee was held at Kathmandu from July 28, 1980 to August 2, 1980. The working of the Indo-Nepal treaties and agreement for cooperation to control unauthorized trade, 1978 and other economic and trade matters of mutual interest were discussed at this meeting. Exports to Nepal in 1979-80 rose to level of Rs. 700 million as against about Rs. 570 million in 1978-79. Similarly, imports from Nepal marginally advanced from about Rs. 140 million in 1978-79 to about Rs. 160 million in 1979-80.

A new general MFN type Trade Agreement between India and Bangladesh was signed at Dacca on October 4, 1980 at the time of Union Commerce Minister's visit there. The agreement came into force on 4th October, 1980 and is valid for a period of 3 years. It may be extended by a further period of three years by mutual consent. The agreement provides for review at intervals of six months. In the course of the Commerce Minister's visit to Dacca in October 1980 the progress of trade between India and Bangladesh was also reviewed and a Memorandum of Understanding was signed at the Secretary level.

It was agreed that necessary steps would be taken for increasing trade turnover between Bangladesh and India, both in existing items as well as through identification of new products for exchange. India agreed to import substantial quantities of wet blue leather and urea fertilizer subject to the usual commercial considerations. Discussions also took place on the possibilities of collaborating in the establishment of industrial units in Bangladesh for the manufacture of items such as sponge iron, newsprint, paper and pulp.

Earlier, in accordance with the provisions of the Trade Agreement between India and Bangladesh in force before October 4, 1980 trade review talks were held in New Delhi during June 21-24, 1980. At these talks, both India and Bangladesh agreed to take necessary steps for further development and diversification of trade between the two countries. Apart from discussions on collaboration in export oriented projects, such as for the manufacture of sponge iron, urea, fertilizers and newsprint, paper and pulp, to India, other important areas identified for industrial cooperation related to development of machine tools, agro-based rural industries and other small-scale industries. India agreed to import from Bangladesh newsprint, writing and printing paper, rayon and waste, molasses, wet-blue leather upto specified values/quantities. Exports to Bangladesh in 1979-80 stepped up to Rs. 1000 million from Rs. 530 million in 1978-79. Imports from Bangladesh in 1979-80 amounted to Rs. 50 million as against approximately Rs. 20 million in 1978-79.

Indo-Sri Lanka trade is governed by

a Trade Agreement which was signed in 1961. The Agreement is of a general nature and provides that it shall remain in force until it is modified or terminated by either contracting party on giving three months notice to the other party. In view of this provision, the Agreement continues to be in force. Exports to Sri Lanka increased to Rs. 1060 million in 1979-80 as compared to Rs. 890 million in 1978-79. Imports from Sri Lanka also advanced to Rs. 120 million in 1979-80 as against Rs. 50 million in 1978-79.

Hitherto India had no formal trade agreement with the Maldives. But now India and Maldives have entered into the first-ever trade agreement recently, which envisages, among other things, supply from India to Maldives, of items required by her, to be determined bilaterally on a year-to-year basis. The trade between the two countries is growing. While imports from Maldives are still negligible, exports to that country in 1978-79 stood at Rs. 15.9 million compared to Rs. 6 million in 1977-78. India exports a large number of goods to Maldives. There is a potential for increasing the exports of electrical items, construction materials, articles of everyday use, apart from all items of food including fresh vegetables, fruits meat, meat products and dairy products.

TCIL's Notable Export Performance

India has achieved a breakthrough in selling telecommunication expertise in West Asia and Africa and is now exploring highly competitive markets

in South-East Asia and Latin America.

The Telecommunications Consultants India Ltd. (TCIL), a public sector undertaking, under the Ministry of Communications has in the two years, since it was set up, bagged a number of contracts in Yemen, Kuwait, Nigeria, United Arab Emirates, Oman and Iraq for various projects ranging from mass training scheme in Nigeria to installation, maintenance and operation of sophisticated communication telephone networks. Within two years of its formation, it has been successful in getting a large number of orders in several foreign countries.

The most recent achievements are :

- (a) A contract was signed in August 1980 with the Ministry of Communications, Yemen Arab Republic, for installation of 40,000 telephone connections at subscribers premises by December 1982. The agreement provides for installation of another 40,000 connections in Yemen Arab Republic and the rates for the same will be negotiable after December 1982. The value of this contract is approximately Rs. 30 million. The material will be supplied by the Ministry of Communications, Yemen Arab Republic and the expert services will be offered by TCIL.
- (b) TCIL signed a Consultancy Agreement on October 13, 1980 with the Ministry of Communications, Nigeria. The first phase of this contract stipulates for the training of Nigerian Technicians and in the second phase,

maintenance and operation of telecommunication services. In the first phase, the TCIL will be sending 50 engineers. The value of the first phase is approximately Rs. 60 million. The second phase is yet to be discussed and decided. The value may come to approximately Rs. 200 million.

- (c) TCIL has also received an order from the Ministry of Communications, Kuwait for providing consultancy services in the field of installation and maintenance of large electronic PABXs and also underground cable network. TCIL will be sending 15 engineers and technicians. The value of this contract is about Rs. 10 million.
- (d) In the month of January 1980, TCIL signed an agreement with Oman Telecommunication Corporation for providing various types of consultancy services in the field of maintenance, operation and installation of telephone exchanges and transmission lines. About 50 personnel may have to be deputed from India and the value of this contract is about Rs. 25 million for a period of two years.
- (e) TCIL is executing contracts in Kuwait, Abu-Dhabi, Dubai, Oman, Yemen Arab Republic, Nigeria, Iraq and is going to start work in several other countries.
- (f) TCIL has, therefore, made a mark in the international market and is playing a leading role in

expansion and modernisation of telecommunication services in the developing countries. In fact, TCIL has been able to gain confidence in several telecommunication administrations. In the countries where the TCIL has made an entry as sub-contractor or an associate contractor, it has been able to get consultancy contracts as 'Prime' contractors.

- (g) Since the formation of the TCIL, as many as 56 offers were made and it has been able to win 23 contracts. A number of other offers made are under active consideration.

The year 1979-80 was the first full year of operation which recorded an impressive performance. In spite of very stiff competition in the international market, the total orders booked so far amount to approximately Rs. 210 million. In this first full year, the total turnover including work in progress has been Rs. 14.20 million, with the authorised and paid-up equity capital of Rs. 1 million only. The profits have amounted to 130 percent on the equity capital. Seven percent dividend has already been paid on the share equity capital and 10 percent ex-gratia has been sanctioned to its employees.

In India also, TCIL has extended consultancy services to several bulk users of telecommunication services. The main contracts are Communication System for the pipeline between Barauni-Nharkatya; Acceptance, Testing and Maintenance of Cabinet Secretariat Telephone Exchange; Pipeline Communication System between Mathura and Jullundur; Com-

munication System for Oil India for off-shore drilling and Communication System for Hindustan Zinc, Udaipur. While TCIL is trying to expand the business in Middle East and African countries, it has become necessary to adopt certain corporate strategies by which business could also be started with other countries of South-East Asia and Latin America. In these areas, companies from highly developed nations have been operating for many years and as such they are very well established in those countries. TCIL is trying to join with a few big groups of companies so that entry could be made in these areas as sub-contractor or as an associate contractor.

TCIL has also decided to build up expertise in the following fields : Digital Switching and Transmission, Data Communication, Pipeline Communication Communication Systems for Mines; and Mobile Communication and Paging System.

Industrial Growth and Diversification

Significant Step-Up in Coal Production

The coal sector achieved a record production of 114 million tonnes in 1980-81 exceeding the target by 0.5 million tonnes and marking an increase of 9.7 percent over the previous year's production. According to the annual report of Department of Coal, in 1980-81 the increase in production was achieved despite certain constraints.

The coal production started going up from the beginning of financial year itself, April 1980, but major increases were recorded during the six months

period from October 1980 to March 1981. Whereas the production during March to September, 1980 registered an increase of 7.11 million tonnes over the corresponding period of the previous year, the increase during the next six months, October 1980 to March 1981 was nearly 10 million tonnes over the six months of the previous year.

The pithead stocks during the year also went up and were at the record level of nearly 18.5 million tonnes on April 1, 1981 as against nearly 14 million tonnes on the same day in the previous year.

The output per manshift in the Coal India Limited was 0.63 tonnes till January 1981 as against 0.65 tonnes during the corresponding period last year.

To meet the growing demand for coal the Government has drawn a big expansion programme. According to the report, coal requirements by 1984-85 have been assessed at 168 million tonnes and to meet this demand, a production programme of 165 million tonnes per annum by 1984-85 has been envisaged. The gap is proposed to be met from the pithead stocks. Thus, the coal requirement is envisaged to be fully met.

The annual plan for 1981-82 has been drawn up with a total production programme of 121 million tonnes per year. The investment anticipated in the public sector coal companies is of the order of Rs. 5110 million against the investment of nearly Rs. 3820 million provided during 1980-81.

To achieve the targetted production, a number of new coal projects are being formulated. During the eleven

months, from April 1980 to February 1981, 17 coal projects were sanctioned by the Government with an annual target capacity of 18.14 million tonnes at a capital outlay of Rs. 3737 million. Besides these, Rs. 9.5 million has been sanctioned for two advance action proposals of Singareni Collieries Company which, when fully sanctioned would produce 1.29 million tonnes per annum and involve a capital outlay of nearly Rs. 215 million. The Coal India Limited and its subsidiaries have also sanctioned some projects under their own powers.

More Industrial Licences Issued

There was over 49 percent increase in the issue of letters of intent for backward areas during January-April 1981 over the corresponding period of 1980. In all 233 letters of intent were issued during January-April 1981 as against 145 issued during January-April 1980. As regards industrial licences, out of 112 issued during January-April 1981, 41 were for backward areas. The emphasis on backward areas development follows the Industrial Policy Statement made in the Parliament last year.

There was over 53 per cent increase in the issue of capital goods approvals during the period under review. One hundred forty-three capital goods approvals were issued during January-April 1981 as against 93 issued during January-April 1980.

Augmenting Pesticides Production

The Technical DDT capacity in the country would be more than doubled

from the current 4088 tonnes to 9038 tonnes with the commissioning of the latest 5000-tonne plant of the Hindustan Insecticides Limited at Rasayani near Bombay. The DDT formulation capacity has already been increased to 18176 tonnes when the 10,000 tonnes capacity HIL plant at Rasayani was commissioned in March. The Technical DDT and DDT formulation projects have been completed at a cost of Rs. 155.5 million.

HIL, a major producer of pesticides in the public sector has also commissioned a 1600-tonne endosulfan plant at Udyogmandal in Kerala, giving a fillip to the production of an important broad spectrum pesticide providing cover to a large number of agricultural crops specially cash crops like cotton.

The demand for pesticides in the country was estimated to be 115,500 tonnes by the end of Sixth Five Year Plan. Present installed capacity in the country was around 74,695 tonnes. Industrial licences and letters of intent for 36,955 tonnes had already been issued and these were at various stages of implementation. The HIL's present share of 12-15 percent in the pesticides market was expected to go upto 25 percent by next year. A leader in the field of pesticides, HIL registered about 20 percent growth turnover during 1980-81 when the company's sale went up from Rs. 169 million to Rs. 202 million.

The drop in sales of traditional products was made good through record sales of non-traditional pro-

ducts like vitavax and release of new products like technical Malathion and Melathion 25 percent WDP being produced at the recently commissioned Rasayani Plant of the company.

HIL is now setting up joint venture projects in Andhra Pradesh, Tamil-Nadu and Karnataka in association with Agro-Industries Corporations of these three Southern States.

Committee to Monitor Small Scale Sector

A high-level Standing Committee under the Chairmanship of Union Industry Minister has been appointed to monitor the progress of the various recommendations made at the meeting of the Small Scale Industries Board at the Central and State levels. It will also keep a watch on the programmes of the small industry sector, particularly in relation to credit, raw materials and sick units. The Committee was constituted by the 35th meeting of the All India Small Scale Industries Board which met in New Delhi recently.

Another important decision taken at the meeting relates to waiving of any restrictions on new units being established in the small scale sector in the north eastern region.

The meeting placed special emphasis on the requirements of the north eastern region and other backward areas. It also recommended the formulation of a comprehensive

policy for all such areas with special reference to hill areas, desert areas and drought-prone areas

The concept of nucleus plants envisaged in the Industrial Policy Statement of July last year was widely appreciated. The Minister of Maharashtra, suggested that the private sector units may also be actively involved in setting up nuclear plants. Another suggestion was that small scale units which have grown to medium size may fulfil the same role.

On the District Industries Centre, there was a general opinion in favour of the new thrust provided by Government in the staffing pattern. Many State representatives pleaded for flexibility in such staffing. The Lt. Governor of Delhi desired that the District Industries Centre Programme may be extended to cover the metropolitan areas of Delhi. The Minister from Himachal Pradesh, pleaded for the small loans facility to be provided through DIC as was being done in the RIP programme. The example of waiving cumbersome procedure for tiny units followed in Tamilnadu was also welcomed.

Marketing was recognised as an important issue for the small scale units. A management-oriented marketing agency was recommended to be set up. The consortium approach for marketing may also be encouraged both for internal marketing and for exports.

Raw Silk Price Stabilisation Scheme

The Government of India has constituted a Committee to go into the

working of the raw silk price stabilisation scheme now being operated by the Central Silk Board of the Union Ministry of Commerce. Headed by Prof. T.K. Moulik, Faculty Member of Indian Institute of Management, Ahmedabad, the Committee will include an Economist from the World Bank Office of New Delhi, representatives of the Ministries of Finance, Planning Commission, Commerce, Central Silk Board, Directors of Sericulture of the Governments of Karnataka, Tamil Nadu, Jammu and Kashmir, Uttar Pradesh and Orissa. The Secretary, Central Silk Board is the Member Secretary of the Committee.

The Government had sanctioned the Scheme for operation of price stabilisation of raw silk in mulberry sector during 1976-77. The scheme had been in operation till 1979-80. Having regard to the programme of sericulture development envisaged during 6th Plan period with a target of production of raw silk of the order of 9,500 tonnes, it was considered necessary to review the working of the above scheme.

The Committee will look into the following issues :

- (i) What should be the role of Central Silk Board in procurement operations of raw-silk/cocoons in the context of State level organisations directly dealing in the purchase of raw-silk/cocoons ?
- (ii) What institutional and financial arrangements could be worked out to assist Central Silk Board to render help to the State level organisations in their operations ?

(iii) Should there be a periodical announcement of minimum and maximum price for cocoons/raw silk for the entire country on the lines of such prices being announced for other agricultural commodities ? and

(iv) Should there be a provision for imported raw silk in the operation of the scheme as was envisaged under the earlier scheme for export production ?

The committee is also expected to suggest measures for raw-silk testing/grading so that the weavers and exporters are scientifically aware of the quality specification of Indian silk that goes into production.

The Committee has been requested to give its report by October 1981.

Higher Industrial Growth during 1980-81

An analysis of provisional production data for 30 selected industries which account for a combined weight of 47.6 percent in the general index of industrial production shows a 5.5 percent growth during April-March 1980-81 over the corresponding period a year ago.

In the basic industries group, there has been an increase in the production of coal (including lignite), saleable steel, aluminium, blister copper, electricity, cement and phosphatic fertiliser.

In the case of consumer industries group, except for a decline in production of cars, the other industries have shown an increase in production. In the intermediate products industries, the output of cotton yarn,

newsprint and jute manufactures rose whereas that of petroleum products declined.

Likewise in regard to capital goods industries, all the four industries, viz. diesel engines (vehicular), railway wagons, tractors and commercial vehicles have shown positive rates of growth.

According to the index of industrial production of the central sector undertakings, the overall percentage change is estimated at 3 percent. The industrial groups which have shown an increase in production during this period were steel, mineral and metals, coal, chemical and pharmaceuticals, heavy engineering and consumer goods.

While the weighted average of the rate of change in the output of the selected 30 industries in the overall worked out to 18.5 percent during March 1981 over March 1980, it was a little over 10 percent as compared to the preceding month. In the basic industries group except for a decline of output in copper (blister) and lead, all the other industries selected for study have shown a rise in production during March 1980. Notable among them are coal (including lignite), 20 percent, crude petroleum 55 percent, saleable steel 30 percent, aluminium 29 percent, electricity 15 percent and cement 21 percent. Production of nitrogenous fertiliser increased by about 35 percent and that of phosphatic fertiliser by about 27 percent. Production of sugar rose by a little over 41 percent and vanaspati by almost 30 percent.

Atomic Power Station at Kakrapar

The Government of India has decided to set up the fifth atomic power station at Kakrapar, District Surat, Gujarat. It would finally comprise four reactors of 235 MWe each. For the present, it has been decided to commence construction of two reactors. It has also been decided to generally adopt the concept of a four-reactor station at all future sites to enable maximum utilisation of the site infrastructure.

The reactors proposed to be constructed at Kakrapar would be of the CANDU type, i.e. natural uranium fuelled and heavy water moderated reactors incorporating the standardised basic design features of the Narora reactor suitably adapted to local site conditions. This atomic power station comprising, two reactors of 235 MWe each is likely to cost Rs. 3763.9 million without cooling towers and Rs. 3825.2 million with cooling towers. The foreign exchange component would be Rs. 347.7 million.

The fuel, heavy water and technology for the proposed project would not be dependent on any outside agencies and the reactors would be outside safeguard restrictions. Environmental protection has been accorded a high priority and the proposed project would meet the standard requirements for minimising environmental pollution. The fuel would be fabricated at the Nuclear Fuel Complex, Hyderabad of the Department of Atomic Energy which is being expanded in a phased manner to cater to this and future projects. The proven reserves of uranium in the country

are considered adequate to support the power programme as currently envisaged.

In the Sixth Five Year Plan, provision has been made for commencing work on the construction of six such reactors which would raise the nuclear power generation capacity (under operation and construction) from 1800 MW at present to 3210 MW by the end of the Sixth Five Year Plan period.

ITI Forges Ahead

The Indian Telephone Industries Ltd. (ITI) performance for the year 1979-80 has been commendable. Its turnover increased from Rs. 929.3 million in 1978-79 to Rs. 1093.7 million in 1979-80. After paying interest on long-term loan and providing for depreciation, ITI earned profit of Rs. 123.2 million in 1979-80 as against Rs. 58 million in the previous year. ITI's share capital of Rs. 150 million as on March 31, 1980 was contributed by the Government of India and Government of Karnataka. In 1979-80, ITI supplied equipment valued at Rs. 900 million to the P and T Department and had export earnings of Rs. 8.9 million. ITI's manufacturing units located at Bangalore, Naimi, Rae Bareli, Palghat and Srinagar achieved very high capacity utilisation in spite of some adverse circumstances.

For the first time, ITI delivered during the year 1980 equipment for THREE ground stations to work with INTELSAT for satellite communications. These equipments were assembled and tested in the Bangalore Complex. The major equipments produced are SCPC equipment and up/down converter.

The Government of India have decided to set up manufacturing capacity of 200,000 (equivalent lines) of crossbar telephone exchange equipment of the Indian Crossbar Project (ICP) type at the Rae Bareilly Unit of Indian Telephone Industries Ltd. at a capital cost of Rs. 645 million. There are proposals to increase the present manufacturing capacity of 10,000 lines per annum of small electronic exchanges of the Palghat Unit of Indian Telephone Industries Ltd. to 150,000 lines per annum by including manufacture of Electronic Trunk Automatic Exchanges and Rural Auto Exchanges at an estimated cost of Rs. 159.5 million. The Government have also decided, in principle, to set up two electronic exchange factories during the eighties.

The expansion of indigenous production capacity for switching equipment will increasingly support the Posts and Telegraphs Department's expansion plans which have the objective of providing telephone connections on demand by 1990.

ITI is devoted to telecommunications products and technology. It is a massive multi-unit industrial complex. Its manufacturing facilities are spread over nine factories in five locations—four in Bangalore, two at Naini and one each at Srinagar, Rae Bareilly and Palghat. ITI's largest production unit is situated in Bangalore, which manufactures most of the equipment needed for telecommunications including telephone instruments, strowger and crossbar type exchanges and transmissions. The two units at Naini produce multiplex and associated equipment and telephone instruments. The unit at Srinagar manufac-

tures components and assembles telephone instruments as well. The factory at Rae Bareilly manufactures strowger exchanges and the unit at Palghat produces electronic exchanges.

Besides, these main production centres, ITI has helped to set up a number of privately owned ancillary units at Bangalore, Naini, Rae Bareilly, Bhopal and Goa which supply a variety of components to the main units.

The various types of telephone instruments manufactured by ITI are automatic, manual and magnets systems. Also in production are switching telephones with extensions for secretarial service, portable telephones, railway control telephones, field telephone for defence services, sound-powered naval telephones and head-gear sets for civilian and defence uses. ITI has also recently developed a multi-line telephone which combines four telephones in one unit. Push button telephones are also being produced with advantages of speed, reduced dialling fatigue and greater reliability.

To meet the requirements of local and trunk traffic, ITI manufactures the complete range of automatic step-by-step, strowger telephone and telex exchanges for big cities, small towns and rural areas. New type of strowger exchanges developed include mobile exchangers, exchanges for special applications as in hotels and executive communication systems. ITI also produces crossbar exchanges, which are in operation in several cities of India and in other countries. Exchanges are also manufactured for inter-communication systems in offices, factories and other organisations. Special facilities like priority service,

key calling, conference key calling and fire alarms are also provided in private automatic exchanges. ITI undertakes complete planning and installation of private automatic exchanges and offers a comprehensive after-sales service.

ITI's research and development effort in the field of electronic switching has borne fruit in the form of a factory at Palghat devoted to the exclusive manufacture of electronic switching system. ITI has developed many new transmission systems based entirely on the results of its own research and development. It has registered significant advances in the coaxial, microwave and satellite communications fields.

ITI has developed a number of coaxial systems, a new generation of fully solid-state VFT equipment and other items of equipment such as advanced multiplex equipment and video coaxial systems which enable the transmission of TV programmes on coaxial cables. During the last five years, ITI has also developed a family of microwave systems incorporating contemporary innovations like phase-locked oscillators, modular construction practice, solid state amplifiers, law-noise receivers etc.

In the field of satellite communications, ITI supplied ground communication equipment for the INTELSAT earth stations at Arvi and Dehradun and also equipment for three remote area earth stations which operate with the based transponder of INTELSAT IVA. It has also actively participated during 1977-79, in satellite telecommunications experiment project launched by the Indian Posts and Telegraphs Depart-

ment and Indian Space Research Organisation utilising the Franco-German satellite "Symphonie". ITI has undertaken development of a complete range of ground equipment for some of the satellite earth stations for working with the first Indian domestic communication satellite 'INSAT'.

ITI has outstanding facilities for computer-aided design of electronic systems. A variety of electronic equipment to meet specialised requirements of railways, electricity boards, coal mines and defence services are being developed and manufactured by ITI.

This in a span of 30 years ITI has

achieved complete capability in almost all facets of telecommunications technology. It is well equipped to meet challenge of India's growing telecommunication needs by incorporating the most advanced technical innovations with reliability and complete customer satisfaction.

Programme of Forthcoming Participations in Trade Fairs/Exhibitions Abroad

- | | |
|--|------------------------------|
| 1. Budapest International Autumn Fair,
(Consumer Goods), Budapest (Hungary) | September 18-27, 1981 |
| 2. Tehran International Fair,
Tehran (Iran) | September 19—October 1, 1981 |
| 3. Ghent International Fair, A Ghent
(Belgium) | September 12-27, 1981 |
| 4. Baghdad International Fair,
Baghdad (Iraq) | October 1-15, 1981 |
| 5. Indian Exhibition, Sydney (Australia) | October 6-9, 1981 |
| 6. Bucharest International Fair,
Bucharest, (Romania) | October 15-23, 1981 |
| 7. Pret-A-Porter Feminin (International)
Exhibition for Ladies Ready-to-Wear
Clothing, Paris, (France) | October 17-21, 1981 |
| 8. Santiago International Trade Fair-FISA'81,
Santiago (Chile) | October 29—November 15, 1981 |
| 9. Indian Exhibition, Nairobi, (Kenya) | January 1982 |
| 10. Indian Exhibition, Bahrain | February 1982 |
| 11. Cairo International Fair, Cairo
(Arab Republic of Egypt) | March 1982 |
-

For further details, please write to : Chief Exhibition Officer, Trade Fair Authority
of India, Pragati Maidan, New Delhi-110001

FACILITIES FOR INTERNATIONAL EXHIBITORS AT IITF, 1981

Trade Fair Authority of India (TFAI) will be organising India International Trade Fair (IITF) from November 14 to December 4, 1981. The main objective of the Fair is to promote international trade and encourage new investments in India as well as in third countries. The Fair will project India's allround progress in the fields of industry, agriculture, trade, science and technology. In this Fair, as many as 50 foreign Governments at the national level and more than 3,000 companies from India and abroad are expected to participate.

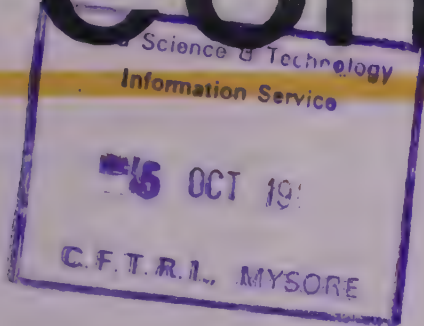
With a view to making foreign participation meaningful, a number of facilities are being provided to the international exhibitors for expeditious disposal of the exhibits displayed by them. They are listed below :—

- (1) Government of India have issued instructions to all Ministries and public sector undertakings that as far as possible, in regard to their import requirements, they should make their purchases from the goods that are displayed by international exhibitors at the Fair.
- (2) All Central Government Ministries have been advised to let the TFAI know their import requirements so that these can be circulated to all the foreign governments and firms who wish to participate in the Fair. This will facilitate the concerned Departments to make their selections and order for their purchases from the exhibits that are displayed at the Fair.
- (3) For expeditious disposal of exhibits that are displayed at the International Fair, Government of India have streamlined customs and licensing procedure as under :—
 - (a) Fair Quota to the maximum of Rs. 5 million in foreign exchange per exhibitor has been earmarked for disposal of the exhibits displayed at the Fair.
 - (b) In respect of capital goods upto a value of Rs. 1 million per item Chief Controller of Imports and Exports (CCI and E) has simplified the licensing procedure to ensure that such licence are issued on the spot.
 - (c) In respect of items of the value of over Rs. 1 million, special meetings of the Capital Goods Committee (CGC) will be convened to ensure that these applications for import licences are disposed of immediately.
 - (d) Items falling under Open General Licence (OGL), and Indian importers holding licence for the items of their purchase, will be allowed direct purchases and clearance by the Customs located at Pragati Maidan.
 - (e) Customs and Chief Controller of Imports and Exports offices will be located at Pragati Maidan to facilitate expeditious clearance of goods.
 - (f) As an incentive for developing countries to participate in the Fair, following items of consumer goods which are otherwise banned for import into India, have been permitted for disposal by the developing countries participating in the Fair : handicrafts, garments, jute goods, toys other than electronics, cosmetics, house-hold goods other than electrical and electronics, ladies fashion wear, leather goods, glass-wares, dry fruits, and honey.
 - (g) International exhibitors have been allowed duty-free import of publicity and advertising materials for free distribution during the Fair.
 - h) To make participation more attractive, several other relaxations in regard to customs and licensing regulations have been agreed to by the Government.

The licence fee will be Rs. 100 per square metre for open area and Rs. 400 per square metre for covered area. Foreign participants will, of course, be required to pay the fee in foreign exchange. Further details may be obtained from the Trade Fair Authority of India, Pragati Maidan, New Delhi-110 001.

65

economic and commercial news



News Highlights

Inland Container Depot at Pragati Maidan

Efforts are in progress to start an Inland Container Depot at Pragati Maidan, New Delhi, which would provide the much needed import-export facilities in the northern region. A good deal of preparatory work has been completed in this regard and efforts are under way to put it through as early as possible. This has been indicated by Mr. Pranab Mukherjee, Union Minister of Commerce, Steel and Mines while inaugurating a meeting of the Export-Import Advisory Committee (northern zone) recently in New Delhi.

Indian Firms Secure High Value Construction Contracts

Eight Indian firms have bagged overseas contracts worth Rs. 1480 million for construction work. Of this, orders worth Rs. 860 million have been bagged for civil construction projects alone. All the orders were secured in the first four months of the current calendar year. With this, the total value of civil construction contracts won by Indian firms, over the years,

Export Performance and Potential

IAAI Bags High-Value Libyan Contract

The International Airports Authority of India (IAAI) has been awarded Rs. 350 million airport works at Brak airport by the Government of Libya. These works comprise stage-II of the airport development project.

The stage-I works costing Rs. 220 million awarded to IAAI earlier, have been completed. In the first stage, 3,600 metres long runway with parallel taxi-tracks and rapid exists connected to the apron have been constructed.

The stage-II works, which have now been awarded, include extension of the runway by 1,300 metres and provision of an over-run of 250 metres. Extension of the apron and associated taxi-links and extension of the parallel taxi-track form part of this project. Miscellaneous works like drainage, road and fencing also form part of the stage-II.

The IAAI has decided to do the stage-II works of the project in-house. For executing stage-I works, IAAI had inducted National Building Construction Corporation as their construction associates for execution of the work under their direct supervision.

For the Stage-II works, mobilisation of plant, machinery and man-power is in full swing. Supervisory engineering staff and the supporting staff like plant operators, mechanics and technicians are being posted. The project is scheduled to be completed by early 1983.

has gone up to Rs. 36250 million. Likewise, orders for non-civil projects have sealed up to Rs. 5140 million.

Iraq accounts for the maximum civil contracts with the value amounting to Rs. 857.9 million. The other order, valued at Rs. 0.29 million, emanates from PDRY. The non-civil contracts, however, are spread out in Indonesia, Libya and Bangladesh.

Indian Company Bags Saudi Contract

An Indian undertaking, the Bombay Suburban Electric Supply Ltd. (BSES) has bagged a Rs. 160 million turnkey contract for the installation of a 34.5 KV distribution system at Al-Jubail in Saudi Arabia. The work involves the supply and installation of 300km of 34.5 KV single core cross-linked polythelene cables tin ducts together with associated switchgear. The contract, worth Rs 65 million in Saudi Riyals, is to be completed within 30 months.

Promoting Indo-Ghana Industrial Cooperation

On Indo-Ghanian industrial cooperation Wide-ranging discussions were held between Mr. P. A. Sangma, Deputy Minister of Industry and Mr. M. P. Ansah, Minister of Industry, Science and Technology, Government of Ghana recently in New Delhi. The visiting dignitary led a 4-member delegation in response to an invitation by the Minister of State for Industry. The visit was undertaken with a view to expanding and strengthening the industrial cooperation between India and Ghana.

The Ghanaian delegation visited a number of industrial plants in various parts of the country. The sectors of cooperation identified include the tyre industry, heavy chemicals, machine tool, vehicles and ancillaries in the automotive sector, synthetic fibre, power generation and transmission and the small scale sector.

The Ghanaian Minister sought Indian assistance in the establishment of small scale industries and industrial estates in Ghana. He also evinced keen interest in availing of Indian assistance for the development of iron and steel industry in Ghana based on the utilisation of the large iron ore deposits in that country. He expressed deep appreciation of the systematic and impressive industrial development of India and conveyed Ghana's deep interest in benefiting from the Indian experience for the industrial development of Ghana.

Mr. P. A. Sangma gave a detailed account of the Indian industrial and engineering capabilities in specific sectors and proposed that cooperation

between the two countries should be strengthened with a view to developing the basic and key industries in Ghana such as iron and steel, machine tools, chemical industries, commercial vehicles and automotive ancillaries and basic chemicals. He also referred to the facilities available in India for the training of technical personnel of various categories and in particular offered Indian assistance for the development of the small scale sector in Ghana covering software and hardware assistance as well as training of personnel.

The visiting Minister was deeply appreciative of the Indian offer and stated that India's approach to the development of other developing countries was most responsive and encouraging. India has committed itself to the transfer of technology to other developing countries at reasonable terms. He stated that based on his visit to various industrial units in India and his discussions with the Government officials, industrialists and others, he would hasten action to identify and pursue specific projects of industrial cooperation between the two countries.

Indo-Soviet Cooperation in Coal Projects

The Soviet Union has agreed to take up construction of a large size coal washery plant in Jharia Coalfield by 1984-85. On completion, this plant will produce two to three million tonnes of washed coal per year for the steel plants. An agreement to this effect was reached during a recent visit to the Soviet Union by the Union Minister for Energy, Mr. A.B.A. Ghani Khan Choudhury, at the invitation of Mr. B.F. Bratchanko, Minister of Coal Industry

Contents

Export Performance and Potential

IAAI Bags High-Value Libyan Contract	1
Promoting Indo-Ghana Industrial Co-operation	2
Indo-Soviet Co-operation in Coal Projects	2
Growth in India's Exports during 1980-81	3
New Policy for Computer Software Exports	4
India's Exports of Spices	4
Industrial Growth and Diversification	
Hike in Core Industries Production	5
Guidelines for Mini Cement Plants	5
Expediting Clearance of New Power Projects	5
Augmenting Shipping Facilities	6
Improved Performance of BEL Science and Technology	6
'APPLE'-Indian Experiment in Satellite Communication	7
Waveform Generator Developed by NAL	8
Exports of Engineering Goods on Deferred Payment Terms and Turnkey Projects	9

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this Journal.

of the USSR. The Soviet Union has also accepted India's proposal for the development of a major coking coal mine in Damuda Block of Jharia Coalfield for production of coking coal for the steel plants as early as possible. This project will help in reducing the shortage of coking coal required by the steel plants. The Soviet experts are expected to start work on this project during the month. Some quantity of coking coal is presently being imported.

For the on-going projects like Nigahi, Jhanjra, Mukunda etc. the Soviet side has agreed to Union Energy Minister's request to depute their experts. Shortly, much earlier than originally scheduled. They have also accepted the proposal to receive the Indian trainees/workmen for providing advance training in mining technology in Soviet Union.

The Union Minister discussed with this Soviet counterpart the measures to be taken for improving mine safety, combating mine fires and training of miners, workmen and engineers with Soviet assistance. Discussions were also held regarding introduction of new technology in the field of coal gasifications, dry beneficiation of non-coking coal used in powers plants and supply of sophisticated Soviet mining equipment to India.

Growth in India's Exports during 1980-81

Addressing the eleventh annual meeting of Trade Development Authority, recently in New Delhi, Mr. P.K. Kaul, Commerce Secretary, said that against the overall improved economic situation in 1980-81, India's exports also fared better and might touch a level of about Rs. 71,000 million compared

to Rs. 64,590 million in 1979-80 showing a growth of about 10 percent. However, he felt that the trade gap in 1980-81 was expected to exceed the level of the previous year mainly because of mounting crude oil imports, global recessionary demand for some of India's exports and protectionist measures like quote restrictions and other non-tariff measures imposed by the developed countries.

The Commerce Secretary observed that compared to the world economic situation, the Indian economy had fared better in 1981-82 than in the previous year, even though constrained by the lagged effects of drought and infrastructural problems. He added that agricultural production was expected to increase by about 19 percent in 1980-81 as against a sharp decline of 15.5 percent in 1979-80. Industrial production, backed with improved infrastructural performance in the third quarter increased by 3.6 percent in 1980-81 against a fall of 1.4 percent in 1979-80. The growth in gross national product (GNP) was also expected to be 6.5 percent in 1981-81 compared to a fall of 4.5 percent during 1979-80. He said that the inflationary pressures continued till July 1980, though with narrower amplitude as compared to the same period in the earlier year. However, dilution of inflationary pressures was possible as a result of active public distribution system and appropriate monetary and credit policy.

The Commerce Secretary said that the world economy and international trade continued to be under strain and uncertainties. He added that growth in world production and trade experienced a steep decline in 1980 and an assessment by the GATT for 1980

showed that world production had grown by only 1 percent against 4 percent in 1979. World exports, in fact, declined by 15 percent in 1980 compared to a growth of 27 percent in 1979. This had been mainly because of the recessionary conditions prevailing in industrialised countries. Mr. Kaul held that the uncertainty in international economic environment was still continuing. Also, the North-South dialogue had still to show some concrete results towards the establishment of the New International Economic Order, he added.

Elucidating the various steps initiated by the government for dynamic export development efforts, Mr. Kaul referred to special facilities for 100 percent export-oriented units, tax holiday for the units in the export processing zones and assured supply of raw-materials. He stated that the Import Policy for the year 1981-82 laid special emphasis on the liberalisation of imports required for export production. Important measures of the current import policy included inclusion of additional items of raw-materials, machinery and equipment under the OGL category, simplification of advance licensing scheme and special provision to make the raw-materials to small scale and cottage sector industries through small industries corporations of the State Governments. For the purposes of developing sound export base for the decade of 1980s, the Commerce Secretary said that the Tandon Committee's recommendations were receiving the consideration of the Government. Some recommendations of the Tandon Committee had already been incorporated in the import policy for the year 1981-82, he added.

New Policy for Computer Software Exports

The Government of India has approved a revised policy for promoting computer software exports. The revised policy places emphasis on the generation and export of software using the existing computing capacity in the country, rather than on the imports of computers, let alone the import of computer, for each software generation

Proposals for undertaking generation and export of computer software, whether with or without import of a computer, would normally fall into one of the following three categories:

- A. An Indian organisation proposing to set up an export-oriented software company and requiring foreign exchange for import of a computer for the purpose.
- B. An Indian national (s) settled abroad setting up an export-oriented software industry not requiring national foreign exchange but wishing to import a computer using foreign exchange he has earned abroad.
- C. An Indian organisation wishing to import a computer with a view to enhance/modify system hardware and/or software against a specific export order, and then re-export the computer.

If it is assessed that import of a computer is essential for effective implementation of the proposal, the following policy framework would apply :

For category A, the applicant should have at the time of making the appli-

cation, a guaranteed export order (s) for atleast 20 percent of the cif value of the computer proposed to be imported. Import of computing equipment normally not exceeding 50 percent of the project export commitment value over a five year period, may be allowed.

For category B, the applicant should have at the time of making the application, a guaranteed export order (s) for at least 20 percent of the cif value of the computer proposed to be imported. Import of computing equipment upto 100 percent of the project export commitment value over a period of five years may be allowed.

For category C, imports may be allowed without any extra obligations. Normally such an activity should not take more than two years. However, these systems should not be used for any domestic purpose.

Before the coming into operation of the revised policy, a programme for promoting the generation of computer software, particularly for export, has already been in operation since September 1970. Under this programme computers could be imported by individuals or group wishing to export software, provided that foreign exchange equal to twice, 200 percent of the cif price of the computer was earned by the party through software export over a five year period.

In July 1976 the Government announced a general policy of allowing import of capital goods by Indian nationals settled abroad but wishing to invest their foreign exchange savings in industries here. Under this scheme, computer software houses were allowed to be set up with imported computers, but with an export commitment of 100 percent of the cif value of the computer imported over a five year period.

India's Exports of Spices

(Quantity in Tonnes : Value in Rs. '000)

Items	April-December 1980	
Pepper	18,077.43	265,814.62
Cardamom	1,923.08	272,816.27
Chillies	1,339.37	11,053.16
Ginger	4,729.05	24,117.61
Turmeric	8,630.96	48,113.33
Curry Powder	1,751.04	16,558.27
Coriander	1,213.61	7,027.21
Cumin	4,972.70	56,384.39
Celery	1,418.18	7,029.64
Fennel	827.89	6,025.24
Fenugreek	1,943.47	7,388.72
Garlic	2,595.04	11,638.10
Nutmeg	2.00	29.52
Cassia	364.46	2,607.21
Aniseed	1.60	17.50
Tejpat	213.28	429.91
Misc. Spices	525.84	4,303.74
Oils of Spices	7.60	4,007.49
Oleoresins of Spices	93.84	13,962.03
Total	50,630.44	7,58,350.96

Industrial Growth and Diversification

Hike in Core Industries Production

Six infrastructure industries namely electricity, coal, saleable steel, petroleum refinery products, crude petroleum and cement, which account for a combined weight of about 23 percent in the general index of industrial production, have shown an overall increase of 22.8 percent in June 1981 over June 1980 on the basis of provisional production data. The rise ranges between 12.2 percent in coal and nearly 69 percent in crude petroleum.

During the first quarter of the current financial year, i.e. April-June 1981, the average percentage rise in the production of these industries put together was 20.1 percent over the corresponding period, a year ago. The increase has been a little over 6 percent in the case of coal, 19 percent in cement and electricity, 21 percent in petroleum refinery products and 54 percent in crude petroleum.

Guidelines for Mini Cement Plants

The Government of India has drawn up the following guidelines for establishment of mini cement plants with a view to ensuring that mini cement plants are set up primarily to exploit limestone reserves in scattered pockets and also at places where it is difficult for large cement plants to be set up on a viable basis.

Mini cement plants will be allowed to be set up in the State of Himachal Pradesh and Jammu and Kashmir, and in the north-eastern region. In a State or Union Territory where not

less than six cement plants (each having a capacity of 500,000 tonnes per annum) already exist or where letters of intent have been issued for the establishment of cement plants (not less than six in number each having a capacity of 500,000 tonnes per annum), no mini cement plants will be allowed to be set up.

Applications for mini cement plants will be entertained even from a State or Union Territory as described in para 3 above provided concerned State Government/Administration certify that :

(a) the available limestone deposits are so scattered that it will not be possible to sustain a standard cement plant and, therefore, mini cement plants have to be allowed to use the available limestone deposits economically;

(b) In spite of the existence of standard cement plants, there are still some pockets in the State/Union Territory whose needs have to be met by mini cement plants ; and

The local neighbourhood demand will have to be met by mini cement plants because the draft on large cement plants will continue for a minimum period of at least five years.

It has been the policy of the Government to encourage establishment of mini cement plants to exploit limestone reserves in remote and inaccessible areas and in accordance with this policy, a number of letters of intent/industrial licences and registration with the Directorate General of Technical Development have already been issued. However, in some of the States where there have been large limestone deposits and where a large number of cement plants are in existence and are being approved for ins-

tallation a number of applications for establishment of mini cement plants are still being received.

With a view to ensuring that mini cement plants are set up primarily to exploit limestone reserves in scattered pockets and also at places where it is difficult for large cement plants to be set up on a viable basis, Government have been considering drawing up of certain guidelines which would guide further establishment of capacity through establishment of mini cement plants in the country.

Expediting Clearance of New Power Projects

To meet the growing demand for power, the Central Electricity Authority (CEA) under the Ministry of Energy has been expediting techno-economic clearance of new power projects to be set up in the Central and State sectors. Whereas the entire additional capacity of nearly 20,000 MW to be installed during the Sixth Five Year Plan has been sanctioned, nearly 75 percent of the additional generating capacity of 28,000 MW envisaged for the Seventh Plan has also been cleared by the CEA.

The power projects which will yield benefits in the Sixth Five Year Plan are now in various stages of construction.

The Central Electricity Authority is presently in the process of techno-economically appraising and approving projects which would yield benefits during the Seventh and subsequent Plans to enable timely advance action being initiated on them during the current Plan.

During 1980-81, the CEA examined and accorded techno-economic approval to 45 new power development schemes comprising 28 generation schemes and 17 transmission and distribution schemes. The total estimated cost of these schemes is Rs. 51,610 million.

These projects will enable addition of a generating capacity of 8169 MW hydro and 7062 MW thermal transmission projects covering HT lines with a total length of 17,212 circuit kms were also accorded techno-economic approval. This includes six schemes of 400 kv lines with a total length of 5,364 circuit kms.

With the clearance of 8,169 MW capacity last year, the total capacity cleared so far by the CEA for the Seventh Plan comes to 21,068 MW comprising 7,888 MW hydro, 12,710 MW thermal and 470 MW nuclear. This constitutes 75 percent of the total capacity of 28,000 MW envisaged for the Seventh Plan.

The Central Electricity Authority is charged with the statutory responsibility for techno-economic appraisal of power generation, transmission and distribution schemes costing more than Rs. 10 million each to ensure that the schemes conform to the overall national power policy and programme and are justified on various techno-economic consideration.

Augmenting Shipping Facilities

The Union Minister for Shipping and Transport informed recently, the members of the Consultative Committee of the Ministry that the Soviet authorities have agreed to speed up the loading and unloading operations of

Indian cargo and also agreed to the increased use of the Soviet Far Eastern ports. Now three berths have been allotted for Indian vessels in Black Sea ports to reduce waiting period of Indian ships. A commercial level agreement between Indo-Soviet shipping partners was also signed recently. The salient features of this agreement are :

- (a) The sailings from India to USSR in 1981 would increase from 84 to 96; (b) Establishment of a container pool in which each side will contribute 2500 containers; and (c) Shipment of urea in bulk.

The Minister further told that as a result of official level talks between India and Yugoslavia in New Delhi from 14th to 15th May, 1981 an agreement was reached for concluding a bilateral Shipping Agreement; thereby general cargo moving between the two countries will be transported on the principle of parity in cargo liftings and freight earnings.

The Minister disclosed that the first 'Panamax' vessel of 75,000 DWT, which was under construction at Cochin Shipyard and which is the largest so far built in India is now ready for delivery to the shipping Corporation of India. Two more ships of the same type are at different stages of construction in the Shipyard.

A scheme for development and modernisation of Hindustan Shipyard to augment its shipbuilding capacity from the existing three 'Pioneer' vessels of 21,500 DWT each per year to 6½ to 7 'Pioneer' ships (or equivalent tonnage) per year has been sanctioned at an estimated cost of Rs. 550 million. Work on the scheme

is expected to start shortly, the Minister added.

The following port projects were been sanctioned during May and June, 1981 :

- (i) Procurement of one rail-mounted-stacker - cum -reclaimer by Paradip Port at an estimated cost of Rs. 25 million.
- (ii) Construction of two warehouses at Visakhapatnam Port at a cost of Rs. 21.2 million.
- (iii) Construction of the Third General Cargo Berth at Paradip Port at an estimated cost of Rs. 71.2 million.
- (iv) Construction of a General Cargo Berth at New Mangalore Port at an estimated cost of Rs. 72.8 million.

Roads and bridges works of a total cost of nearly Rs. 5 million have been sanctioned since May 1981 for the development of national highways. Among the projects sanctioned, mention may be made of a major bridge over Krishna River near Vijayawada in Andhra Pradesh, costing Rs. 37 million.

Improved Performance of BEL

BEL is the foremost professional electronics industry in India to-day, manufacturing a wide range of professional grade electronic equipment and components. The equipment includes HF, VHF, UHF and microwave communication equipment, surveillance and secondary radars, broadcast transmitters and studio equipment (both sound and vision),

required for All India Radio and Doordarshan and other type of equipment like weapon control system for frigates, gun control equipment for tanks etc. The components product range includes receiving tubes, TV picture tubes, semi-conductors, hybrid micro circuits, capacitors, crystals, x-ray tubes, microwave tubes, transmitting tubes, integrated circuits and night vision devices.

It may be mentioned that in 1952, Ministry of Defence concluded an agreement with CSF (now Thomson-CSF) France for producing electronic equipment and components in the country. Thereafter BEL was incorporated in 1954 and the contract was assigned to it. Further, taking into account specific requirement of the users and their preference for certain type of proven wireless equipment, know-how agreements were entered into with various companies. The licence agreements proved useful in providing BEL with a suitable product range acceptable to customers. The major benefit of collaboration in the early stages has been to ensure organised production of electronic equipment of proven merit. It established BEL as a viable production organisation competent to deal with manufacture of any kind of electronic equipment. It also provided a base for carrying out local design and development work in a production oriented manner rendering certain the transfer of technology from development to production. BEL progressively introduced manufacture of various electronic components to provide vital support for both defence communication equipment manufacture and the then budding commercial electronics industry in the country. In

component manufacture, the major emphasis has been on the production of active devices and to a lesser extent on passive devices.

BEL was started in Bangalore in Karnataka State in the year 1954, with production operations commencing in the year 1956-57. The Company started earning profits from the sixth year of its production operations. Starting with one Equipment Division manufacturing only two products, the Bangalore complex has now three major Equipment Divisions, each Division in itself manufacturing a diverse product-mix of more than a dozen sophisticated electronic equipment. Production of components commenced in the year 1961 with the introduction in production of receiving valves, in technical collaboration with Philips of Netherlands. Ever since then BEL has continued to diversify by adding new product lines—crystals in 1961, germanium semi-conductors in 1962, capacitors in 1962, silicon semi-conductors in 1967, integrated circuit in 1967, transmitting tubes in 1967, X-ray tubes in 1970 and hybrid micro circuits in 1974. Provision of sophisticated capital facility for technology build-up and diversification of the above product range has been a continuing activity in BEL.

Apart from the above expansion of production activities in the Bangalore complex, the Company established a second production facility at Ghaziabad in UP (near New Delhi) in 1974, for the manufacture of air-defence radar systems and communication equipment for different applications. A third unit at Pune has also gone

into stream for manufacturing image intensifier and image converter tubes for night vision devices.

Over Rs. 20 million have been invested in a modern testing and environmental laboratory, capable of checking electronic devices and equipment from tiny integrated circuits to large sophisticated radars mounted on trailers. Testing facilities are available to certify equipment to international specifications like IEC, DEF and MIL and national standards like JSS. BEL's walk-in climatic chamber is a unique facility not available anywhere else in the country. It is also used by other organisations like, ISRO, HAL, ITI, ADE etc. BEL has been recognised as an approved test house by Electronic Component Standards Organisations, Ministry of Defence. Exotic materials, finishes and processes capable of extreme accuracy, production methods which can handle the production of a single large equipment or that of thousands of small equipment and millions of small components are all part of BEL production technology.

To sell electronic equipment abroad in the face of international competition has been a rewarding experience for BEL. BEL's exports in the recent years have been in the order of around Rs. 500 million.

Science and Technology

Apple - Indian Experiment in Satellite Communication

It was a falling apple that made Isaac Newton marvel at the force of gravity and go on to arrive at his now famous theories on gravitation. The 'Apple' that everyone now talks about, weighed 673 kilogrammes but went

into the skies, beyond earth's gravitational field, into space. This experimental 'Telecommunication Satellite' of India went on board European Space Agency's vehicle 'Ariane' from Kourou in French Guiana. This new-generation satellite was assembled completely in India by her space scientists and technicians from parts both indigenous and imported.

Earlier satellites Aryabhata, Bhaskara and Rohini were experimental satellites to test the efficiency of satellites building and launching. 'Apple'—short for 'Ariane Passenger Payload Experiment'—is an experimental telecommunication satellite. It was made geostationary at its assigned space slot at 102 degrees east longitude on the 16th of last month.

The present system of telephone 'link' is between distant places—like snow-covered Ladakh or Andaman Islands situated hundreds of miles away from the mainland. Signals from a transmission tower can be received by another only if the distance is within a particular limit. Cable-laying is costly and cumbersome if not impossible in some terrains. It is in this context that communication via a satellite becomes important. These satellites relay and transmit not only telephone calls but radio messages and television pictures as well. Happenings in world centres can thus be seen on TV sets in India. A telecommunication satellite can relay simultaneously more than 15,000 telephone calls and 16 television programmes.

The Satellite Telecommunication Antenna set up November last in Sikandarabad (U.P.) is using a quarter 'transponder' of the International Telecommunication Agency's satellite 'INTELAST'. This satellite station

connects places like Port Blair (Andamans) Car Nicobar, Minicoy and Leh with New Delhi, through direct telephone. When India's own telecommunication satellite 'INSAT' will be ready the country will get not only telephone calls from remote areas and overseas stations, but radio programmes and television pictures as well. 'Apple' is the experiment with this objective.

The satellite travelling on 'Ariane' got separated 17½ minutes after launch at Kourou and started orbiting the earth while spinning on its own. Observation Stations at Kourou, Suva. (Fiji), Ahmedabad and Sriharikota closely followed APPLE's progress.

When the satellite was orbiting the earth, apogee boost motors were fired to put the Satellite into a new—near-circular orbit 36,000 kilometres above the equator. The operation was controlled by the Apple Mission Control Centre in Sriharikota. The solar panels attached to the Satellite, collect solar energy for the continued functioning of various equipments on board the satellite. In addition, special batteries also supply power. In the 'APPLE' one of the panels didn't open up and that brought a slight pall of unease over all concerned. But Indian scientists and technicians went ahead in the face of this challenge with the job of making the satellite acquire a 24-hour orbit time for it to become 'geostationary', (facing towards the earth constantly). These difficult manoeuvres were successfully completed on June 22. The telecommunication 'transponder' on the satellite will now be always facing the reception antenna set up near Nagpur. After the satellite is finally declared

functional for transmitting telecommunication signals, the Indian space Research Organisation and the Posts and Telegraphs Department will be conducting a series of experiments. And the country will then have successfully completed the beginning stages of its efforts to revolutionise the telecommunication system in the country and get nearer and nearer to other countries.

Waveform Generator Developed by NAL

According to the National Aeronautical Laboratory (NAL), Bangalore, its System Engineering Division has designed and developed a waveform generator, capable of generating a voltage/current waveform of any desired shape. The generator will be used by the Aerodynamics Division for simulating aerodynamic characteristics the components of aircraft wing in transonic/supersonic speeds inside the laboratory. Using programmable waveform generator, the designer can play with different shapes of the wing for a given problem. It also finds application in testing loads on aircraft tyres.

The generator is built with standard integrated circuits using digital techniques. The circuitry was constructed on 4 boards involving 32 integrated circuit chips. It is a versatile instrument in a sense that everything can be programmed from front panel control. The front panel control consists of two sets of hexadecimal key boards for memory address and data input, one rotary switch for a number of memory location selection, two sets of thumb wheel switches with three digits in each for clock rate and delay adjustments, switches for mode

selection, reset and instrument power. Two BNC connectors are provided for voltage and current output. Suitable regulated power supplies are built to operate the generator at 230 V A.C.

The generator operates in two modes, (i), the programme mode, and (ii) the run mode. The aircraft wing to be simulated is divided into 20 sections so that each boundary line represents one of the curvature lines. A curvature line is then simulated electrically by finding the coordinates of 32 equispaced points on the curvature line. The coordinates are fed to the corresponding function generator in the programme mode. In the run mode, the stored function is obtained as an output at the clock rate decided by the front panel control. The generated waveform can function with a known adjustable delay between repetitions. This type of testing greatly reduces the turn around time, when compared to tunnel testing or digital computer time.

NAL's Systems Engineering Division has also designed and developed an analog sub-system for use in the high speed computer based data acquisition system fitted in the front end of the data acquisition system. The sub-system comprises bridge balancing units, transducer excitation power supplies and high performance signal conditioners. A differential input digital voltmeter serves as the monitoring device of all voltage lines. The analog output of the sub-system is converted to digital format in the data acquisition system before feeding on to the computer.

The sub-system has been designed to measure various parameters like

pressure, force and temperature with suitable transducers and built at a cost of Rs. 97,000. It is capable of handling 16 channels of analog voltage signals obtained from electrical transducers—mostly strain gauge type of 4 active arms. An imported system of similar specifications and performance would cost around Rs. 200,000. The system has been tested to evaluate its performance by the Transducers Pilot Plant of Systems Engineering Division. The experimental results obtained after intensive use of the unit in measuring various parameters have indicated its satisfactory functioning.

Exports of Engineering Goods on Deferred Payment Terms and Turnkey Projects

According to Reserve Bank of India's Credit Information Review, the engineering goods have emerged as India's top earners of foreign exchange in recent years. Their exports are currently of the order of Rs. 9000 million. The target mentioned for the year 1990-91 is around Rs. 93,000 million half of which are expected to be in capital goods and turnkey projects. The major part of these exports will be on deferred payment terms under which the export proceeds are received fully or partly after the statutory time limit of six months (three months in the case of exports to Afghanistan and Pakistan). Deferred payment exports are financed out of supplier's credit (involving payments of the full contract value or a portion thereof) is given by an exporter directly to a foreign buyer, while buyer's credit is given by a bank or a financial institution or a consortium of banks/financial institut-

ions in India and the exporter is paid the export value by the lending agencies. Deferred payment exports and overseas turnkey projects are governed by a set of guidelines introduced in pursuance of a decision taken by Government in July 1975 and modified subsequently. All banks authorised to deal in foreign exchange are permitted to approve applications for deferred payment exports and turnkey projects under supplier's credit upto Rs. 10 million subject to certain minimum conditions as prescribed in the guidelines. Applications which do not conform to the stipulated conditions and applications of a value in excess of Rs. 10 million as well as all applications for deferred payment exports or turnkey projects under buyer's credit irrespective of the value of contract, require the approval of the Working Group comprising the Reserve Bank (Exchange Control Department and Department of Banking Operations and Development), Export Credit and Guarantee Corporation (ECGC) and Industrial Development Bank of India (IDBI), with the IDBI functioning as the focal point.

Advance Payment and Credit Period

Advance payment and down payment against shipping documents should normally be 10 to 15 percent of the contract value and should ordinarily cover the foreign exchange outgo calculated with reference to agency commission, freight payable by exporter, import replenishment and cost of third country imports (if not paid separately by overseas buyer to foreign supplier or if no credit on matching terms is allowed to Indian exporter by foreign supplier). Cases of foreign exchange outgo exceeding the aggregate of advance and down payments

marginally but by not more than 10 percent of the contract value are considered by the banks themselves. The maximum period of credit including grace period for capital and producer goods is three years for contracts upto Rs. 1 million five years for contracts between Rs. 1 million and Rs. 5 million eight years for contracts between Rs. 5 million and Rs. 10 million and 11 years for contracts above Rs. 10 million. The corresponding periods for turnkey projects are four years, six years, nine years and twelve years, respectively. Deferred payment facility may be given on a selective basis towards the service portion of turnkey contracts provided the amount of this credit does not exceed 20 percent of the service portion of the contract. Deferred credit facility may also be given to overseas buyers of consumer durables and miscellaneous engineering goods (i. e., other than capital and producer goods) upto one year from the date of shipment in appropriate cases, and even upto two years where the value of any particular export order is at least Rs. 1 million. A grace period upto one year (upto two years for turnkey projects) may be allowed in respect of capital and producer goods for principal only, although interest will continue to accrue even during this period.

Deferred Receivables and Interest

Deferred receivables (i. e., amounts receivable from overseas importers for goods supplied to them on deferred payment basis after adjusting advance payments) should normally be paid in equal half-yearly instalments over the agreed period. Where deliveries are made in more than one shipment, the instalments may be linked to the respective dates of each shipment or to

the mean date of shipment (i. e., the date when supplies amounting to half the total contract value have been shipped). In the case of turnkey projects, repayment instalments are linked to the date of signing of contract or the mean date of shipment or the date of commissioning of project. The interest charged on deferred receivables should be at least at the rate applicable to post-shipment credit to exporters, that is, 8.65 percent for capital/producer goods specified by the Reserve Bank, and 11.85 percent for 180 days and normal rate of interest thereafter for other goods. A slightly lower rate can be charged in suitable cases.

Security

Down payments against shipping documents and instalments of deferred receivables (including interest) should be secured by a letter of credit and/or a guarantee from a bank in the country of import or in a third country acceptable to the exporter's bank in India. Where the importer is a government department or a public sector enterprise, a government guarantee/promissory note from government/enterprise may be accepted. A letter from the central bank of the concerned foreign country giving an undertaking regarding prompt release of exchange towards the receivables may be required in certain cases.

Commission

Commission not exceeding five percent of the contract value may be allowed to an overseas agent in the country of import or in a third country for securing market information, follow-up of bid and liaison with buyers in order to ensure smooth execution of contract

and prompt payment of instalments. Where sub-suppliers have been engaged and the exporter is treated as the prime exporter, commission can be paid only by the prime exporter and not by any sub-supplier.

Exchange Fluctuation Risk Covers

Long-term Forward Exchange Cover Scheme of the Reserve Bank has been discontinued. In consultation with the Reserve Bank, ECGC has introduced two exchange fluctuation risk cover schemes in respect of deferred payment exports and turnkey projects, one covering 'bid' risks (i. e., exchange fluctuation risks arising between date of bid and date of contract) and another for covering 'contract' risks (i. e., exchange fluctuation risks arising in deferred receivables under export contracts).

Guarantees

Where the banks have been permitted to approve applications for deferred payment exports/turnkey projects without reference to the Working Group or where applications have been cleared by the Working Group, they need not get the approval of the Reserve Bank for executing guarantees on account of bid bond/performance/advance payment/release of retention money in favour of overseas buyers on behalf of Indian exporters. Banks can also avail of the counter-guarantee facilities from the ECGC, in which case cash margins in respect of bid bonds and guarantees may not normally be necessary. Guarantee commission may be collected by banks in accordance with the rules framed by the Foreign Exchange Dealers Association of India. In the case of bids which do not finally result in contracts, the

ECGC and the banks refund 75 per cent of the premium/commission collected by them.

Validity of Bid Bonds

In all cases approved by them, the banks may extend the validity of bid bonds on merits. As for cases cleared by the Working Group, banks may give extensions for periods not exceeding the periods for which the bid bonds were originally issued, subject to the exporters satisfying the banks that the economics of the projects has not significantly changed in the meantime. Further extensions may be given with the approval of the Working Group.

Bridge Finance

Normally the entire foreign exchange expenditure involved in turnkey projects should be met out of the funds of the projects themselves. However, any temporary shortfall in funds can be bridged either by remittances from India on repatriation basis or through borrowings in the country of work or in a third country against an appropriate guarantee from the exporter's bank. Acceptance in principle for bridge finance upto 10 percent of the contract value may be given by the bank at the time when the tender proposal is cleared under delegated powers. Applications for bridge finance

along with the requisite undertaking and bank guarantee, will have to be submitted to the Reserve Bank through the bank concerned, clearly indicating the position about the liquidation of foreign borrowings or repatriation of the exchange released from India. When an Indian exporter is simultaneously executing more than one turnkey project, it may so happen that one project is in need of funds abroad to meet temporary deficits while another has surplus fund. In such cases, the exporter may arrange for temporary transfers of funds from one project to another after securing the approval of the Reserve Bank.

Foreign Exchange Costs of Turnkey Projects

Exporters undertaking turnkey projects abroad should normally take the necessary construction equipment from India. If they require certain foreign equipment which is not available in India or which gives better performance than the Indian equipment, they may purchase it or take it on hire abroad but only out of the payments received against the services segment of the projects. Imports into India of such equipment purchased abroad are governed by the prevailing import policy. Similarly, the to and fro passage fares for foreign

visits of the personnel of exporters in connection with the projects and their foreign exchange requirements during their stay abroad, as well as the expenses of site offices maintained abroad on temporary basis, have to be met out of the funds received from the services segment of the particular projects. The exporters are allowed to open temporary bank accounts abroad to hold such funds.

Special Contractual Provisions

Exporters are required to thoroughly satisfy themselves about the economic and technical viability of turnkey projects, as also about the infrastructural facilities available in the foreign countries for erection, supervision and commissioning. The various aspects of the work-programme will have to be carefully planned in advance for the timely and proper completion of the projects. While drawing up agreements with overseas buyers, the exporters should ensure that suitable provisions for escalation and International Chambers of Commerce arbitration clauses are provided. Further, provision of penalties for failures to comply with the terms and conditions of contracts must be reasonable and subject to overall maximum limits. Where banks so desire, the drafts of the contracts may be got approved by them before they are signed.

Read

ECONOMIC AND COMMERCIAL NEWS

to keep abreast of latest developments on

- EXPORT MARKETING
- INDUSTRIAL GROWTH
- SCIENTIFIC RESEARCH
- PRODUCT DEVELOPMENT
- QUALITY CONTROL ETC. ETC.

Single copy : 80 Paise

Annual Subscription : Rs. 40/-

Please send your subscription through crossed bank draft/Indian postal order in favour of "Trade Fair Authority of India", Pragati Maidan, New Delhi-110001.

FACILITIES FOR INTERNATIONAL EXHIBITORS AT IITF, 1981

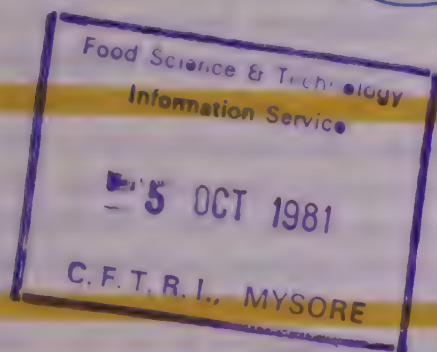
Trade Fair Authority of India (TFAI) will be organising India International Trade Fair (IITF) from November 14 to December 4, 1981. The main objective of the Fair is to promote international trade and encourage new investments in India as well as in third countries. The Fair will project India's allround progress in the fields of industry, agriculture, trade, science and technology. In this Fair, as many as 50 foreign Governments at the national level and more than 3,000 companies from India and abroad are expected to participate.

With a view to making foreign participation meaningful, a number of facilities are being provided to the international exhibitors for expeditious disposal of the exhibits displayed by them. They are listed below :—

- (1) Government of India have issued instructions to all Ministries and public sector undertakings that as far as possible, in regard to their import requirements, they should make their purchases from the goods that are displayed by international exhibitors at the Fair.
- (2) All Central Government Ministries have been advised to let the TFAI know their import requirements so that these can be circulated to all the foreign governments and firms who wish to participate in the Fair. This will facilitate the concerned Departments to make their selections and order for their purchases from the exhibits that are displayed at the Fair.
- (3) For expeditious disposal of exhibits that are displayed at the International Fair, Government of India have streamlined customs and licensing procedure as under :—
 - (a) Fair Quota to the maximum of Rs. 5 million in foreign exchange per exhibitor has been earmarked for disposal of the exhibits displayed at the Fair.
 - (b) In respect of capital goods upto a value of Rs. 1 million per item Chief Controller of Imports and Exports (CCI and E) has simplified the licensing procedure to ensure that such licence are issued on the spot.
 - (c) In respect of items of the value of over Rs. 1 million, special meetings of the Capital Goods Committee (CGC) will be convened to ensure that these applications for import licences are disposed of immediately.
 - (d) Items falling under Open General Licence (OGL), and Indian importers holding licence for the items of their purchase, will be allowed direct purchases and clearance by the Customs located at Pragati Maidan.
 - (e) Customs and Chief Controller of Imports and Exports offices will be located at Pragati Maidan to facilitate expeditious clearance of goods.
 - (f) As an incentive for developing countries to participate in the Fair, following items of consumer goods which are otherwise banned for import into India, have been permitted for disposal by the developing countries participating in the Fair : handicrafts, garments, jute goods, toys other than electronics, cosmetics, house-hold goods other than electrical and electronics, ladies fashion wear, leather goods, glass-wares, dry fruits, and honey.
 - (g) International exhibitors have been allowed duty-free import of publicity and advertising materials for free distribution during the Fair.
 - h) To make participation more attractive, several other relaxations in regard to customs and licensing regulations have been agreed to by the Government.

The licence fee will be Rs. 100 per square metre for open area and Rs. 400 per square metre for covered area. Foreign participants will, of course, be required to pay the fee in foreign exchange. Further details may be obtained from the Trade Fair Authority of India, Pragati Maidan, New Delhi-110 001.

65



economic and commercial news

News Highlights

Promoting Indo-Kenyan Economic Co-operation

India and Kenya have identified machine tools, spare parts for defence, textile weaving and leather and tanning projects to be taken up for implementation under bilateral cooperation programme for industrial development in Kenya

Indo-Romanian Cooperation

A draft agreement has been signed for purchase of iron ore concentrate from Kudremukh by M/s. Mineralimport export of Romania upto a maximum of 1 million tons per year and minimum of 750,000 tonnes per year to cover the total contract value for the pellet plant. It may be mentioned that the Romanian enterprise M/s. Mineralimportexport has already placed a trial order for 50,000 tons of concentrate from Kudremukh. The vessel carrying the first shipment under this order (nearly 40,000 tons) has already arrived in Romania.

India Participating in Damascus Fair'81

The Trade Fair Authority of India is organising India's participation in

Export Performance and Potential

India and Ghana Conclude Trade Agreement

India and Ghana have agreed to grant most-favoured-nation treatment to each other's trade and merchant vessels. This is one of the outstanding feature of a Trade Agreement finalised recently when a seven-members Indian delegation led by Mr. K.P. Anand, Joint Secretary in the Ministry of Commerce, visited Ghana.

The Agreement provides for the establishment of a Joint Committee consisting of representatives of both countries to keep under review the implementation of the provisions of the Agreement and to examine proposals aimed at further expansion and diversification of trade between Ghana and India and identify proper areas for industrial co-operation. It also provides that the payment for goods would be effected in a convertible currency acceptable to both sides.

The Agreement will be of three years' duration in the first instance with provision for renewal for further periods. Under the Agreement, Ghana will export to India diamonds, cocoa beans, cocoa products, railway sleepers and other timber and wood products etc., while India will export to Ghana tea, jute manufactures, light engineering and capital goods, tyres and tubes, pharmaceuticals and chemicals etc.

During the course of its stay in Ghana, the Indian delegation also had discussions with the Ministers of Finance and Economic Planning, Lands and Natural Resources and Industries, and Science and

the forthcoming Damascus International Fair (Syria) scheduled to be held from August 22 to September 10, 1981. India has been regularly taking part in this fair. Covering an area of 400 sq. metres, India Pavillon will have an attractive photographic display and audio-visual presentation highlighting the rapid strides the country has taken in the fields of industrial and technological development. Among the participants are leading manufacturers/exporters from India, namely MECON, Tata Exports, Tea Board, Development Consultants and Vijay Tanks and Vessels.

Indian Trade Exhibition at Kuala Lumpur

The TFAI is arranging an Indian Trade Exhibition at Kuala Lumpur, (Malaysia) in March 1982. The object of the exposition is to further promote the existing economic and trade relations between the two countries. Besides the expanding trade flows, India has the largest number of joint ventures in Malaysia, inasmuch as 29 ventures have already gone into production while 8 are under implementation.

Contents

Export Performance and Potential	
India and Ghana Conclude Trade Agreement	1
Indo-Zimbabwean Cooperation in Hotel and Tourism	2
Chairman, TFAI Meets Heads of Foreign Missions	2
Indo-Hungarian Cooperation in Water Resources Development	3
Full Utilisation of Export Potential	4
Indo-Swedish Trade Trends	5
Industrial Growth and Diversification	
DGTD Industries Register Higher Growth	5
Record Production of Commercial Vehicles	5
Companies Act and Small Industrial Units	6
Rani Padmini-Biggest India-Built Ship	6
Opening Up of New Mineral Bearing Areas Stressed	7
Substantial Increase in Tourist Arrivals	7
Small Scale Industries Board Meets	8
Exchange Control Regulations Regarding Non-Resident Indians	9

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this Journal.

Technology. As a result of these discussions, it was agreed that Ghana will sell diamonds direct to India at prices to be negotiated from time to time. It was further agreed that the Governments of Ghana and India would cooperate in the exploration and exploitation of Ghana's diamond resources. For this purpose, a technical team of experts from India will arrive in Ghana within the next three months. The Indian delegation further assured to Ghana that the Government of India would consider any additional requests from the Government of Ghana for credits on soft terms for supply of machinery and equipment for mutually agreed projects.

Indo-Zimbabwean Co-operation in Hotel and Tourism

Zimbabwe has approached India for setting up a chain of Ashok Group style of hotels and development of tourism infrastructure in that country. The Zimbabwe Minister for Information and Tourism, Dr. Nathan Shamuyarira, who as leader of a high-power delegation, was recently in India to assess the Indian expertise in these fields, discussed his country's requirements at a meeting with Mr. A.P. Sharma, Minister for Tourism and Civil Aviation.

The Zimbabwe Minister apprised Mr. Sharma of the fast growing tourist to his newly-born country. In the current year about 200,000 tourists were expected to visit Zimbabwe and traffic was likely to increase to 600,000 by 1986. For this big traffic, his country required the necessary tourism infrastructure.

Dr. Nathan said that two private hotel groups have already approached his Government for setting up hotels in Zimbabwe. But he made it clear that his Government would like to enter into collaboration with the Indian Government not only for constructing five-star hotels on the style of Ashok Group of Hotels but also for supplying personnel to manage and run these hotels. When Mr. Sharma offered to do so, Dr. Nathan expressed his country's keen desire to concretise the joint venture proposition. The officials of the two countries would sit together to work out the details and finalise the agreement. Dr. Nathan stressed the urgent need for training facilities for his people in the field of hotel management and tourism promotion. Mr. Sharma offered to train the Zimbabweans in Indian institutions.

The Zimbabwe Minister also said that his country was looking for Boeing 747 and 707 aircrafts for carrying the growing tourist traffic. Mr. Sharma informed him that India was in a position to offer one 747 aircraft and a number of 707 aircrafts as India has decided to phase out 707 planes. He said that Zimbabwe could either buy these planes or take them on wet-lease basis. Mr. Sharma also informed Dr. Nathan that Indians were running air services in Maldives. Dr. Nathan said that he would take up the matter with his Government.

Chairman TFAI Meets Heads of Foreign Missions

Mr. Mohammad Yunus, Chairman, Trade Fair Authority of India, (TFAI) had a meeting recently in New Delhi with the Heads of Foreign Missions

of 43 countries which are participating in the India International Trade Fair, 1981 being organised by the TFAI from November 14 to December 4 1981 at Pragati Maidan, New Delhi. He requested the Heads of Foreign Missions to give their suggestions to make the Fair a success. He assured the participating countries of all assistance and cooperation from the Government of India and the TFAI.

The Chairman impressed upon them to project the achievements of their respective countries in their displays at the Fair. He also announced that such international fairs will be held at Pragati Maidan in 1982 and also in 1983 so that the countries desirous of participating in these fairs could plan well in advance. The Ambassadors/High Commissioners present at the meeting, expressed their happiness over their country's participation in the Fair.

The Fair is expected to be the largest one held so far, where India along with other countries the world over will put up a show window of their progress in the fields of industry, trade and technology. The countries which have confirmed their participation include Afghanistan, Australia, Austria, Algeria, Bangladesh, Bulgaria, Brazil, Bhutan, Canada, Czechoslovakia GDR, FRG, Ghana, Hungary, Indonesia, Iran, Iraq, Japan, Korea (North), Kuwait, Laos, Libya, Mexico, Mauritius, Nigeria, Netherlands, Pakistan, Romania, Senegal, Sudan, Tanzania, UAE, USSR, Yemen (DPR), Yugoslavia and Zambia. Burma, France, Italy, Lebanon, Nepal, Sri Lanka and Madagascar are also likely to participate in the Fair. Besides these countries, a large number of

foreign business organisations, all Indian States and Union Territories, major public sector undertakings and a number of private business firms are taking part in the Fair.

The Fair will offer unique opportunities to the participating countries, for promoting trade among themselves. Special facilities will be available to foreign participants for promoting the sale of their wares to India through the Fair. The event also offers concrete possibility of economic cooperation especially among the developing countries and encourages new investments in India and the third world.

To international participants, the Fair would accord special facilities in the matter of disposal of exhibits against substantial Fair Quota in foreign exchange. Sizeable portion of the country's import trade, especially in relation to the requirements of Government departments and public sector undertakings, which account for bulk purchases from overseas, is sought to be channelised through this Fair. Developing countries are being allowed sale of consumer goods which are otherwise restricted under the country's import policy.

A Theme Pavilion devoted to 'Energy Options for Developing Countries' and a number of seminars on various aspects of export promotion will be other attractions at the Fair.

Besides hectic business activities, there will be many cultural programmes at Pragati Maidan during the Fair. Foreign participants will be celebrating their National Days, where film and cultural shows of these countries

will be an added attraction to the visitors. By turn, States and Union Territories will also be celebrating their 'State Days'.

Over a sprawling 152-acres exhibition complex equipped with basic infrastructural facilities for organising exhibitions and other activities throughout the year, Pragati Maidan offers opportunities, for cultural programmes, film shows, fashion parades, craft demonstrations, shopping and a wide variety of Indian cuisine served by a number of restaurants kiosks at the Fair grounds.

Indo-Hungarian Cooperation in Water Resources Development

India and Hungary have agreed to promote and develop further cooperation in the field of water resources development. A Memorandum of Understanding to this effect was signed in Budapest recently. Mr. Z.R. Ansari, Union Minister of State for Irrigation signed on behalf of India and Mr. Antal Kovacs, Secretary of State and President of the Hungarian National Water Authority signed on behalf of his country.

The Memorandum envisages exchange of professional experiences, visits and publications and economic cooperation with particular reference to economic activities in third countries. Details will be worked out by fifth meeting of Joint Working Group on water resources development to be held in New Delhi.

Earlier, the Minister of State was received by the Deputy Prime Minister Mr. Borbandi who said that he would

like to see traditionally close relations between Hungary and India enlarged and increased. He also noted that the Minister's visit constituted an important step in intensifying these links. Mr. Ansari also called on the Hungarian Finance Minister, Mr. Hetenyi, who is Co-Chairman of Indo-Hungarian Joint Commission. He emphasised his desire to see Joint Commission functioning effectively and successfully for promotion of economic cooperation to mutual benefit. The Minister briefed both Hungarian dignitaries on progress made by India under the leadership of Mrs. Indira Gandhi and reiterated Government of India's desire for close economic cooperation with Hungary.

Pursuant to the protocol signed in Budapest in 1975 for cooperation in the field of water resources and allied subjects between India and Hungary, a Joint Working Group consisting of both countries has been set up under the Indo-Hungarian Joint Commission. The Working Group has been meeting every year. The fourth meeting of the Working Group was held in New Delhi in November 1980 to review the progress made in the implementation of the decisions taken in the previous three meetings. It was followed by a visit of a three-member team from India in November—December, 1980 to study the flood problems and Hungarian flood fighting and flood forecasting organisation and equipment on the spot and to report on the possibilities of applying their techniques and systems to the conditions prevalent in India.

Full Utilisation of Export Potential Emphasised

Addressing the Conference of Collec-

tors of Customs recently in New Delhi Mr. Pranab Mukherjee, Union Minister of Commerce, Steel and Mines, said that the export activity for a country like India should aim at not only bridging the balance of payment gap but also help increasing production making full use of its abundant natural resources

He said that the country at present faced a difficult economic situation both internally and externally. On the external environment, the balance of payments situation had been deteriorating, mainly due to rising adverse trade balance resulting from a steep rise in the cost of imports and difficulties in generating export growth at the same rate. He said that while various domestic and external constraints have had an adverse impact on exports, the increase in imports has been mainly due to the sharp rise in world prices of India's inescapable imports of POL, fertilizers etc. As a result, the foreign trade deficit which amounted to Rs. 10,880 million in 1978-79 increased sharply to Rs. 24,490 million in 1979-80 and on current indications might further go up to around Rs. 55,000 million in 1980-81

The Minister felt that due to the rising trade deficit, there was a danger of India's exchange reserves getting rapidly depleted and this might emerge as a severe constraint on country's future growth, unless urgent measures were taken to boost exports. 'We should be able to finance our essential import requirements from our export earnings and reserves, consistent with our objectives of realising progressive self-reliance and rapid economic growth', he added.

The Minister elaborated series of measures taken recently by the Government of India to remove bottlenecks that stood in the way of rapid expansion of production and exports. But he felt that this was not enough. There was need to implement these policies more efficiently and referred to invariable complaints by the trade in foreign countries about endless paper work and procedural delays faced by them in India. He said that these complaints could not be dismissed lightly and was of the opinion that customs and customs officials had a lot to do in this regard.

Mr. Mukherjee said that in the actual operation of the import and export trade, Customs and Chief Controller of Imports and Exports played a vital part. The work of the customs, in particular, situated as they were at the point of export or import, was of crucial significance. Orderly movement of essential imports and speedy clearance on the exports side, were both equally important. In addition, Customs provide the necessary data feedback for the formulation of appropriate import, export, tariff policies etc. He felt that in the present state of dear money, it was desirable that not only drawback rates were determined expeditiously but also delays in settlement of claims and disbursement of drawback should be minimized. All procedural and avoidable delays and difficulties in filing shipping papers, getting permission from customs for exports, clearance of trade samples sent by foreign buyers and re-imported consignments, levy of import duties, issue of the preshipment inspection certificates

etc., should be removed. He said that to remove problems faced by exporters at the Customs end, the Government had recently agreed to set up an inter-ministerial co-ordination committee which will consider such problems of exporters and be an effective instrument in resolving them.

The Minister called upon the Customs and CCI and E to function with a greater deal of understanding and confidence, keeping in view that liberalisation and streamlining of procedures carry with it inherent risks of abuse by unscrupulous persons. He asked them to perform their duties with devotion, confidence and utmost promptness.

Indo-Swedish Trade Trends

India's exports to Sweden rose during the calendar year 1980 to Skr 226.6 million compared to Skr 211.9 million in 1979 and Skr 182 million in 1978, says an commercial report issued by the Embassy of India, Stockholm.

Major increases were registered in the export of readymade garments, carpets, bedlinen, furnishings, made-ups, cotton fabrics, handtools and machine tools. According to the report, exports of readymade garments stepped up to Skr 73.4 million in 1980 as against Skr 70.1 million in 1979 and Skr 61.1 million in 1978. The export performance of other main items referred to above was : carpets Skr 33.7 million (1980), 25.7 million (1979) and Skr 19.7 million (1978); bedlinen, furnishings and made-ups Skr 30.0 million (1980), Skr 24.0 million (1979) and Skr 19.5 million (1978); cotton fabrics Skr 25.8 million (1980). Skr

24.2 million (1979) and Skr 18.2 million (1978), and hand tools, machine tools etc. Skr 7.7 million (1980), Skr 7.6 million (1979) and Skr 4.5 million (1978).

Besides these items, increase in exports during 1980 were recorded by about 15 other items such as mechanical appliances and machinery, sports goods, other fabrics, lighting and fittings, seafoods, precious and semi-precious stones, chemicals and dyes, baskets etc., tobacco, furniture, imitation jewellery, crude vegetable materials, oil seeds/oil nuts, wood and timber.

India's imports from Sweden also showed a marginal increase to Skr 447.5 million in 1980 from Skr 443.4 million in 1979 but declined from Skr 714 million in 1978. The trade balance had been in Sweden's favour during the above period. However, it came down to Skr 231 million in 1979 and Skr 220 million in 1980.

Industrial Growth and Diversification

DGTD Industries Register Higher Growth

One hundred and three selected DGTD industries recorded a growth of 13.6 percent in May 1981 over the corresponding period last year. The growth in the index of industrial production during April-May 1981 has come to 13.4 percent. Almost all the industrial sectors reported a better performance and positive growth in production during April-May 1981 over the same period last year.

Quite a few industries registered exceptionally good growth during the period under review i.e April-May 1981 when compared with the corresponding period of last year. In fact, the number of industries recording growth of more than 25 percent during April-May 1981 was 32 with a total weight of 9.74 (about 25 percent of DGTD industries weight wise). Industries recording growth between 10 to 25 percent during the same period April-May 1981 were 36 and their weight of 10.62 recorded positive growth upto 10 percent the during the period.

Sectors recording significant growth during the period under review were : manufacture of chemical and non-metallic mineral products (26.0 percent), basic metals (4.0 percent), products (19.4 percent), industrial machinery (19.3 percent), transport equipment (32.1 percent), paper and paper products (14.2 percent), metal products (16.7 percent), tobacco manufacture (17.2 percent), etc. Certain sectors recording moderate growth during the two months period were : leather footwear (4.7 percent), rubber products (2.6 percent), electrical equipment and appliances (1.5 percent), etc.

Record Production of Commercial Vehicles

Over 25 percent growth in the production of commercial vehicles during 1980-81 was achieved creating an all time record. The total production of all categories of commercial vehicles was 71,877 during the year as against 57,441 in the previous year. The targetted production for the year was 67,000 and the performance over the target has been about 7.5 percent. With

reference to the installed capacity of 95,000 numbers of vehicles the production represents a capacity utilisation on over 75 percent. Almost all the manufacturers have exceeded their targets for the year.

The record production has been made possible by the close monitoring exercised and the assistance extended by the Government to the industry. Facilities were given to import critical components wherever there was a shortfall in indigenous supplies. Assistance was also extended for the import of diesel generating sets for the augmentation of power availability. Input support was provided to enable the commissioning of additional capacities to the maximum possible extent.

The significant increase in production has to a considerable extent helped in meeting the pending demand for commercial vehicles and reducing the waiting period. Supplies of chassis to the State Road Transport undertakings have been stepped up so as to meet their entire requirements. During the year 1981-82, the production of commercial vehicles is expected to increase substantially.

At a meeting convened in the Department of Heavy Industry on April 21, 1981, each one of the manufacturers of commercial vehicles has agreed to substantially step up production over the level that was obtained in 1980-81. Constraints were identified and the industry has been assured of appropriate Government assistance and support in order to increase production. It is expected that a production level of about 1,00,000 commercial vehicles would be achieved during the current year.

Companies Act and Small Industrial Units

A communique issued by the Ministry of Law, Justice and Company Affairs says that at present, provisions of Section 58A of the Companies Act, 1956 and the rules, namely the Companies (Acceptance of Deposits) Rules, do not apply to a company which is a small scale industrial unit :

- (i) Whose paid-up capital and free reserves did not and does not at any time exceed Rs. 300,000 and which invites or accepts deposits from not more than 50 persons;
- (ii) which invites or accepts deposits and whose outstanding deposits at any time do not exceed the aggregate of its paid-up share capital and free reserves.

For this purpose, a small scale industrial unit means any industrial undertaking registered with the Directorate of Industries or Small Scale Industries of the State Government in respect of which the investment in plant and machinery is not in excess of Rs. 1 million in value.

The Central Government in consultation with the Reserve Bank of India, has now decided to raise the limit of investment from its existing Rs. 1 million to Rs. 2 million in value effective from the date of the publication in the Gazette of India. A notification to this effect has since been issued on July 23, 1981.

Rani Padmini—Biggest India-Built Ship

'Rani Padmini' the first ship built by Cochin Shipyard joined the national

fleet when the ship was handed over to the Shipping Corporation of India, recently. A 75,000 DWI bulk carrier belonging to the Panamax Series, this ship is the biggest one ever built in the country. She is three times as big as the biggest ship built in any Indian shipyard. Her commissioning is not only a landmark in the history of Cochin Shipyard but also of national significance since with this, the country enters into a new maritime era and joins the prestigious ranks of large international ship builders.

The ship is fully welded steel construction. Her principal dimensions are : length 245 metres, breadth 32 metres, depth 19 metres and a draught of 14 metres in fully loaded condition. In the course of construction, 10700 tonnes of steel, 3500 tonnes of machinery and equipment, 26 kms of roping and 62 kms of cables have been put in to make her a complete ship. Broadly speaking about 300 kms of welding has been done to complete the hull. It has a service speed of 16 knots and is propelled by a diesel engine of Burmeister and Wain design manufactured by Harland Wolf, Belfast. The ship is designed to carry dry cargo like grain, iron ore, fertilizers etc.

The vessel is provided with fully airconditioned accommodation with comfortable stay for 64 crew members. There are separate mess rooms and recreation rooms for officers and the crew and a swimming pool on bridge deck. The wheel house is equipped with most modern navigational aids. India has an ambitious programme of augmenting the national shipping tonnage during the Sixth Five Year Plan. The target being 8.3 million

GRT as against 5.6 million GRT at the commencement of the Plan period. The contribution of Cochin Shipyard during this period will be just about a quarter of a million GRT of new ships. But this is much higher than that of other Indian shipyards. Major ship builders are aiming at a change-over to building container ships. The day will not be far off when Cochin Shipyard will also stake its claim for expansion of its capacity as well as for possible diversification.

Opening Up of New Mineral Bearing Areas Stressed

The Minister for Commerce, Steel and Mines Mr. Pranab Kumar Mukherjee, has called upon the mineral industries to make sustained efforts to open up new mineral bearing areas and further strengthen the mineral base of the country. He was inaugurating the 15th annual general meeting of the Federation of Indian Mineral Industries recently in New Delhi.

The Minister said that it was a matter of satisfaction that the Geological Survey of India (GSI) has taken up a time bound exploration programme for such minerals as gold precious stones and tungsten. The GSI was also engaged in the survey of potash, a fertiliser mineral, in the Thar desert of Rajasthan and locating coal deposits below the Deccan Lava.

The Minister indicated that an ore-dressing laboratory of the Indian Bureau of Mines will be commissioned at Ajmer very shortly. Another one was expected to be commissioned at Bangalore towards the end of 1982. These will fill up a long felt need of the mining industry.

Mr. Mukherjee said that it was proposed to amend the Mines and Minerals (Regulation and Development) Act comprehensively. The suggestions of the State Governments, the industry and other agencies like the Mineral Advisory Board will be taken into account at the time of amendment. Referring to the atmospheric pollution arising out of unsystematic and unscientific mining, he said the Act would be suitably amended to take care of environmental and other pollution aspects.

The Minister said that an allocation of Rs. 100 million had been made in the sixth plan for setting up a number of mica projects. Mica had also been included in the list of projects which would be eligible for special facilities on the ground of 100 percent exports.

Regarding the need for infrastructural facilities, Mr. Mukherjee said that the Government was continuously having a look at such an investment and approving it from time to time. He said the capacity of rail movement between Bellary-Hospet sector and Madras was being increased to five million tonnes. Similarly, the proposal to dredge Madras outer harbour is under consideration so as to accommodate large size vessels. Certain improvement in the loading facilities at Paradip Port were also being made, he added.

Substantial Increase in Tourist Arrivals

There has been substantial increase in tourist arrivals from Central and South America, Africa and South East Asia during the first five months of the current year as compared to last year.

From Central and South America, the maximum increase of 79 percent was recorded by Mexico from where 1761 tourists arrived in India during January-May, 1981 as against 1141 tourists in the corresponding period of 1980. The increase in case of Argentina and Brazil was 60.5 and 22.2 percent respectively. In all 4,441 tourist arrivals were recorded from the Central and South American countries during this period as against 2828 in the same period of 1980 registering an overall increase of 57 percent.

From African countries, Kenya registered 63.8 percent increase in sending tourists to India, followed by South Africa 34.6 percent, Mauritius 32 percent, UAR 14.6 percent and Tanzania 13.4 percent. In all, tourist arrivals from Africa increased to 17,404 in January-May, 1981 from 13,164 in January-May, 1980 recording an increase of 32.2 percent.

Among the South East Asian countries, Thailand and Philippines sent respectively 49.3 percent and 45.4 percent more tourists to India. The overall increase in tourist arrivals from South East Asia was 18.9 percent. In all 27,445 tourists came from this region in the first five months of 1981 as against 23,073 tourist arrivals in the corresponding period of 1980.

Tourist arrivals from other countries recorded increase of 50 percent from Afghanistan, 25.4 percent from Finland, 19.6 percent from UK, 18.7 percent from Czechoslovakia, 18.1 percent from Persian Gulf, 21.9 percent from Sri Lanka, 14.8 percent from Canada and 8.9 percent from USA.

Among the countries from where the tourist arrivals registered decrease were Iran 48.6 percent, Lebanon 8.6 percent, France 8.8 percent, New Zealand 13.3 percent and Australia 8.1 percent.

Tourist arrivals during January-May, 1981 aggregated to 342,370 as against 310,588 during January-May, 1980 recording an increase of 10.2 percent.

Small Scale Industries Board Meets

Inaugurating the 35th meeting of the Small Scale Industries Board recently in New Delhi, the Union Industry Minister, Dr. Charanjit Chanana, has said that the Government is considering providing price preference upto 15 percent for small scale industry items.

Dr. Chanana said that the Government was aware of the marketing problems faced by small industries, and had accordingly taken various measures to solve them from time to time. The list of items reserved for exclusive purchase from the small scale sector had been increased from 241 in 1979 to 379 in the current year. Further, beginning had been made to reserve items for purchase upto 75 percent and 50 percent of the total purchases made by the DGS and D from the small scale sector.

The Minister said that the Industrial Policy Statement made in July last year had reaffirmed the Government's determination to continue and strengthen the various programmes relating to the small scale sector. It had also indicated the Government's endeavour to do away with the artificial divi-

sions between the large and small sectors and to promote the concept of economic federalism for achieving socio-economic objectives like dispersal of industry, inter-regional balance of development as well as inter-layer dispersal of opportunities to bring about social cohesion. Accordingly the investment limits of the small scale, small ancillaries and tiny units had been raised to help genuine small scale units in their modernisation.

Dr. Chanana further said that the Government intends to remove the artificial divisions between the large and the small scale industries through introduction of the concept of complementarity between the two sectors. It was proposed to initiate the concept of economic federalism through setting up of nucleus plants in industrially backward districts which would generate as many ancillaries and assist small and cottage unit as possible. A positive correlation between large and small units had to be promoted continuously. Such nucleus plants would concentrate on producing items required by a large number of small units, assembling the products of the ancillary units falling within its orbit and providing them assistance in marketing their products. These plants would thus, ensure a widely spread pattern of investment and employment, he added.

Dr. Chanana said that the Government at the Central level as well as at the State level must participate not only in raising the basic infrastructural parameters in the areas but should also raise the social infrastructure of the area. This composite efforts was a sine-qua-non for creating

total habitation for the future human settlement in the country. The Government laid special emphasis on promoting this township based on essential discipline of industrial township planning. The task force mentioned above had been advised to attach relevant importance to this growth aspect so that a new industrial township generated by the policy does not produce industrial township of slums. The new industrial township would be punctuated by the series of forest clusters-the environment would be devoid of all pollution. Another important area which needed immediate attention was the generation of new technology and its transfer to the small scale units. This was considered essential for achieving higher productivity and promoting continuous growth. It is in this context that the SIDO has taken up a programme to establish 17 Process and Product Development Centres to act as focal points for product development and innovation in specific areas. The Minister urged the extension agencies of the State Governments also to play a useful role in achieving this important objective.

A scheme for building up buffer stocks of essential raw materials which was mentioned in the Policy Statement last year, is proposed to be introduced. The National Small Industries Corporation had been designed as the nodal agency for this purpose. The NSIC had already identified 14 locations where raw material depots would be operated whether by itself or in cooperation with the State Small Industries Corporations for this purpose. The modalities of this scheme were being worked out, the Minister said.

modification of the DIC pattern had been proposed. In this pattern, a minimum number of four functionaries would operate in each district to perform the basic service functions of credit, raw material, village industry and economic investigation. In addition, it was proposed to have three subject-matter specialists who would be selected on the basis of the specific needs of the district. He hoped that with this new thrust in organisational structure at the district level, the DIC programme would become meaningful for the promotion of decentralised industries.

Exchange Control Regulations Regarding Non-Resident Indians

Indian nationals and persons of Indian origin holding foreign passports who are residing abroad for employment or for carrying on business or vocation are treated as non-resident for Exchange Control purposes, irrespective of the duration of their stay in foreign countries. One is considered as a person of Indian origin if he or either of his parents or any of his grandparents was born in undivided India. The foreign born wife of an Indian citizen or of a person of Indian origin is treated as a person of Indian origin. The Exchange Control formalities to be observed by non-resident Indians and persons of Indian origin who visit India for short periods or who return to India for permanent settlement are summarised in the following paras.

Visits for Short Periods

Persons visiting India for short periods for holiday, business, medical treatment, meeting relatives and pilgrimage will continue to be regarded

as not-residents. On arrival in India, they should get their foreign currency notes and travellers cheques encashed for rupees only with authorised dealers and money changers. There are several hotels, shops and emporia authorised to purchase foreign currency from visiting Indians and tourists. It is an offence to sell foreign currency to any other person. For encashing foreign currency notes and travellers cheques exceeding US \$ 1,000 or their equivalent in value, the Customs-stamped Currency Declaration Form (CDF) has to be produced. This may be waived in cases where the CDF cannot be produced for some genuine reason or other. It is necessary to obtain from authorised dealers and money changes certificates of encashment in token of surrender of foreign currency notes and travellers cheques.

They may have to be produced before the Customs or the Reserve Bank of India, if and when required.

Return for Permanent Settlement

Persons returning to India for permanent settlement are treated as resident. They will have to close their foreign currency accounts and surrender the balances in such accounts to authorised dealers in foreign exchange in India.

The foreign currency accounts can be retained only for three months for settling any outstanding obligations abroad or for making bonafide payments. Permission for retaining a foreign currency account beyond this period may be given, if needed, for collecting interest on foreign currency securities or dividend on shares or rentals, etc., on immovable property. Persons holding foreign currency

shares and securities or insurance policies or immovable properties abroad should declare the holdings to the Reserve Bank of India within three months from the date of arrival and obtain the requisite licence or approval for continuing to hold them abroad. Declaration forms can be had from any office of the Reserve Bank. Persons holding non-resident external rupee accounts or foreign currency non-resident accounts must inform the banks maintaining the accounts about their return to India. Once they arrive in India, these accounts cease to be eligible for the facilities under the respective schemes. The former will be redesignated as resident accounts, while the latter will be converted into resident rupee accounts.

RIFEE Scheme

Under the Returning Indian Foreign Exchange Entitlement Scheme (RIFEE), Indians returning home from abroad can obtain 25 percent of the foreign exchange, repatriated by them while abroad for credit to external accounts in India or surrendered to authorised dealers after arrival in India, for use during a period of ten years for visits to foreign countries for personal purposes and medical treatment, education abroad of dependent children and wards, gifts to close relatives residing abroad and import of special appliances for professional use. Application in prescribed form should be made within three months from the date of return to India, to the Exchange Control Department at any office of the Reserve Bank within whose area the person has taken up residence, together with a certificate from bank showing the surrender of

foreign exchange.

The RIFEE scheme can be availed of against repatriation to India of the sale proceeds of securities, shares and immovable properties held abroad with the permission of the Reserve Bank provided they are disposed of within three years.

Return for Temporary Residence

(a) Foreign passport holders of Indian origin, who return to India for employment on contract basis irrespective of actual duration or for any other specific job or assignment in India for a period not exceeding three years, are treated as temporarily resident in India. They may continue to retain their foreign currency assets without surrendering them to authorised dealers. They need not declare them to the Reserve Bank for the period of residence in India. No specific permission of the Reserve Bank is required for the purpose. Such persons are not, however, eligible for the facilities under the RIFEE Scheme. Nor can they remit abroad their incomes, savings or sale proceeds of assets in India during their residence in India or thereafter.

(b) Persons who take up residence with the intention to stay in India for an uncertain period are treated as residents for Exchange Control purposes.

The 5-Year Scheme

Non-resident Indians wishing to transfer residence to India for exploring possibilities of suitable employment or for setting up industry etc., in India may apply to the Reserve Bank for facilities under this

Scheme. Whatever foreign currency assets that have been repatriated to India will be allowed to be taken back if the persons concerned wish to leave India for settling down in any other country within five years, or they may be retained abroad after obtaining Reserve Bank's approval instead of surrendering them to authorised dealers in India. Foreign passport holders of Indian origin who do not qualify for being treated as temporarily resident in India in certain circumstances as referred to earlier, may also apply to the Reserve Bank for the facilities under the Scheme within three months from the date of return to India.

Indians employed in Indian-owned organisations such as banks and General Insurance Corporation or India's diplomatic missions abroad and those who had earlier left India for short-term employment, job, etc., are not eligible for the facilities under the Scheme. They will be eligible for facilities under the RIFEE Scheme.

Purchase of Goods for Personal Use

Persons visiting India can take with them while leaving India goods purchased in India upto the value of Rs. 10,000 except banned items such as certain animal skins and silver/gold articles. If the value exceeds this limit, permission from the Reserve Bank is required. Permission is readily given in respect of goods purchased against foreign currency or against rupees derived by sale of foreign currency on production of encashment certificate.

The visitors have only to complete the tourist questionnaire form which

is available with shops/emporia or travel agents and surrender the encashment certificate.

The shops and emporia licensed as money charges are permitted to send goods as unaccompanied baggage by sea or air after completing the Exchange Control formalities.

Visitors who buy goods in India for commercial purposes, i.e. for sale abroad, may request their suppliers in India (manufacturers/traders) to follow the GR form procedure and export the goods in the normal manner.

Gold Jewellery

Import of personal jewellery worn on person is regulated by the Customs authorities. Non-resident Indians who are returning to India for short visits are not required to bring back the personal jewellery, but those returning to India for good are required to bring back the gold jewellery, if any, they had taken out from India earlier. Customs certificate confirming the re-import of jewellery should be submitted to the Reserve Bank if the jewellery had earlier been taken out with the approval of the Bank on J form. It will be advisable to have the certificate stamped on the J form itself and surrender the J form to the Reserve Bank.

Booking of Passages

Passages can be booked with Air India for journey abroad in rupees by debit to non-resident ordinary accounts or in foreign exchange if the travel is by any other airline. Overseas passages can also be booked against payment in rupees on production of a certificate from an authorised dealer or money changer showing that the rupee funds had been derived by sale of foreign currency to him. □

Programme of Forthcoming Participations in Trade Fairs/Exhibitions Abroad

- | | |
|--|------------------------------|
| 1. Damascus International Fair, Damascus (Syria) | August 22 September 10, 1981 |
| 2. Ghent International Fair, Ghent
(Belgium) | September 12-27, 1981 |
| 3. Budapest International Autumn Fair,
(Consumer Goods), Budapest (Hungary) | September 18-27, 1981 |
| 4. Tehran International Fair,
Tehran (Iran) | September 19—October 1, 1981 |
| 5. Baghdad International Fair,
Baghdad (Iraq) | October 1-15, 1981 |
| 6. Indian Exhibition, Sydney (Australia) | October 6-9, 1981 |
| 7. Bucharest International Fair,
Bucharest, (Romania) | October 15-23, 1981 |
| 8. Pret-A-Porter Feminin (International)
Exhibition for Ladies Ready-to-Wear
Clothing, Paris, (France) | October 17-21, 1981 |
| 9. Santiago International Trade Fair-FISA'81,
Santiago (Chile) | October 29—November 15, 1981 |
| 10. Indian Exhibition, Nairobi, (Kenya) | January—February 1982 |
| 11. Indian Exhibition, Bahrein | February 1982 |
| 12. Cairo International Fair, Cairo
(Arab Republic of Egypt) | March 1982 |
| 13. Indian Exhibition Kuala Lumpur
(Malaysia) | April 1982 |
| 14. Indian Exhibition Algiers, Algeira | May, 1982 |
| 15. Indian Exhibition, London (UK) | November 1982 |
| 16. Indian Exhibition, Mexico | May 1983 |
| 17. Hannover International Fair, FRG | April 1984 |
-

For further details, please write to : Chief Exhibition Officer, Trade Fair Authority
of India, Pragati Maidan, New Delhi-110001

FACILITIES FOR INTERNATIONAL EXHIBITORS AT INDIA INTERNATIONAL TRADE FAIR, 1981

Trade Fair Authority of India (TFAI) will organise India International Trade Fair 1981 (IITF '81) from November 14 to December 4, 1981 at Pragati Maidan, New Delhi. The main objective of the Fair is to promote international trade and encourage new investments in India as well as in third countries. The Fair will project India's allround progress in the fields of industry, agriculture, trade, science and technology. As many as 50 foreign Governments at the national level and more than 3,000 companies from India and abroad are expected to participate in the Fair.

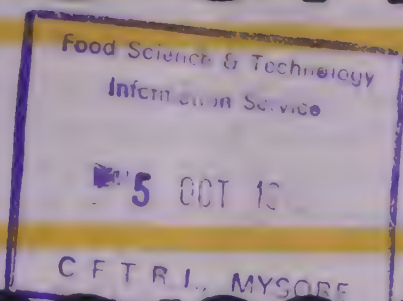
With a view to making foreign participation meaningful, a number of facilities are being provided to the international exhibitors for expeditious disposal of the exhibits displayed by them. These are listed below :—

- (1) Government of India have issued instructions to all Ministries and public sector undertakings that as far as possible, in regard to their import requirements, they should make their purchases from the goods that are displayed by international exhibitors at the Fair.
- (2) The capital goods requirements have been compiled in the form of booklet which is available with TFAI for reference of those foreign governments and firms who wish to participate in the Fair. This will facilitate the concerned Departments to make their selections and order for their purchases from the exhibit that are displayed at the Fair.
- (3) For expeditious disposal of exhibits that are displayed at the International Fair, Government of India have streamlined customs and licensing procedure as under :—
 - (a) Fair Quota to the maximum of Rs. 5 million in foreign exchange per exhibitor has been earmarked for disposal of the exhibits displayed at the Fair.
 - (b) In respect of capital goods upto a value of Rs. 1 million per item Chief Controller of Imports and Exports (CCI and B) has simplified the licensing procedure to ensure that such licence are issued on the spot.
 - (c) In respect of items of the value of over Rs. 1 million, special meetings of the Capital Goods Committee (CGC) will be convened to ensure that these applications for import licences are disposed of expeditiously.
 - (d) Items falling under Open General Licence (OGL), and Indian importers holding licence for the items of their purchase, will be allowed direct purchases and clearance by the Customs located at Pragati Maidan.
 - (e) Customs and Chief Controller of Imports and Exports offices will be located at Pragati Maidan to facilitate expeditious clearance of goods.
 - (f) As an incentive for developing countries to participate in the Fair, following items of consumer goods which are otherwise banned for import into India, have been permitted for disposal by the developing countries participating in the Fair: handicrafts, garments, jute goods, toys other than electronics, cosmetics, house-hold goods other than electrical and electronics, ladies fashion wear, leather goods, glass-ware, dry fruits, and honey.
 - (g) International exhibitors have been allowed duty-free import of publicity and advertising materials for free distribution during the Fair.
 - h) To make participation more attractive, several other relaxations in regard to customs and licensing regulations have been agreed to by the Government.

The licence fee will be Rs. 100 per square metre for open area and Rs. 400 per square metre for covered area. Foreign participants will, of course, be required to pay the fee in foreign exchange. Further details may be obtained from the Trade Fair Authority of India, Pragati Maidan, New Delhi-110 001.

economic and commercial news

65



News Highlights

Promoting Indo-Nigerian Technical Co-operation

India and Nigeria have agreed to expand industrial and technical cooperation between the two countries in mining, machine tools, telecommunications, petro-chemicals, transport, small industries, power generation and distribution. They have also agreed that there is considerable scope for expansion of bilateral trade. A trade agreement and an agreement on avoidance of double taxation is being negotiated between the two countries. This has been the outcome of the first session of Indo-Nigerian Joint Commission which was held recently in New Delhi.

Indo-Argentina Trade Agreement

India and Argentina have concluded the first trade agreement which will remain in force for a initial period of 3 years. The agreement stipulates that all payments and commercial transactions between the two countries will be made in free convertible currency. It grants most favourable conditions to imports and exports of commodities to each other's country in terms of cus-

Export Performance and Potential

First Indo-Argentina Trade Agreement

The first Trade Agreement between India and Argentina has been concluded at Buenos Aires recently. The Agreement was signed by Mr. Pranab Mukherjee, Union Minister of Commerce, Steel and Mines, on behalf of India and Mr. Carlos Garcia Martinez, Minister of Commerce and Maritime Interests, on behalf of Argentina. India had concluded similar Agreements with other countries in Latin America such as Brazil, Chile, Colombia, Cuba, Guatemala and Peru earlier.

The new Agreement takes due note of the newly emerging international trade policy with regard to a closer economic cooperation among the developing countries and aims at an efficient utilisation of their resources and at accelerating their economic growth rate.

The Agreement grants most favourable conditions to imports and exports of commodities to each other's country in terms of customs tariffs, any sort of duties, taxes or fiscal levies, as well as with regard to administrative formalities, licence granting or exemptions, prohibitions and restrictions on import and export of commodities transference or payment of money, regulation of circulation, transportation and distribution of commodities. The Agreement also points out that the two countries would grant the most favourable treatment to each other's ships.

The Agreement also reflects the determination of the two Governments to exchange commercial and technical representatives, teams or delegations

toms tariffs, duties and taxes. The agreement also constitutes a Joint Committee to promote trade and economic cooperation between the two countries.

Indian Firm Secures Bulgarian Contract

A New Delhi based firm M/s. EMPL Creations, have entered into a contract with the Industrialimport, a Bulgarian foreign trade organisation, for the supply of ladies high fashion cotton garments. The value of the contract is approximately Rs. 1 million, says a report issued by Embassy of India, Sofia.

Barley Exports Canalised through STC

The Government of India has decided to canalise the export of barley through the State Trading Corporation of India Ltd. (STC) to all permissible destinations. The exports will be allowed on "first-come first-served" basis, without minimum export price restriction. Earlier, export of barley was allowed within a limited ceiling, through designated Central/State Government agencies, to USSR. In the case of commercial exports, export was canalised through the State Trading Corporation of India Ltd. Export was allowed subject to minimum export price of Rs. 2100 per tonne.

Contents

Export Performance and Potential	
First Indo-Argentina Trade Agreement	1
Promoting Indo-Kenyan Economic Co-operation	2
India to Assist Nigeria in Developing Small Industries	3
Improved Export Performance of Heavy Industry Units	4
Increased Emphasis on Export Production	4
Indo-USSR Tele-Communication Co-operation	4
Co-operation between India and Japan	5
Industrial Growth and Diversification	
Big Increase in Power Output Planned	5
Micro-Alloy Steel by IISCO	6
Industrial Production Records Increase	6
Expansion of ITI Factory	6
Sixth Plan Allocation for Civil Aviation	7
PAL System of Colour TV for India	7
Science and Technology	
Natural Colours for Food	7
Data Base at INSDOC	7
Thermo Silico Tester Developed	8
MMTC Makes Headway	8

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this Journal.

between the two countries and to hold trade fairs and exhibitions in each other's country.

The Agreement also constitutes a Joint Committee to promote trade and economic cooperation between the two countries. The Joint Committee will analyse the implementation of the provisions of the Agreement, review measures for solving the problems of trade, study proposals for increasing and diversify bilateral trade and identify areas for industrial cooperation. The Joint Committee is expected to meet yearly on an alternate basis in India and Argentina.

The Agreement stipulates that all payments and commercial transactions between the two countries will be made in free convertible currency. It shall remain in force for an initial period of three years.

The Agreement lists a series of items which can be exported from India to Argentina. These include a number of engineering goods like railway equipment and rolling stock, iron and steel castings, transformers, textile, cement and sugar mill machineries, handtools, machine tools, sewing machines, bicycles and parts, electric fans, power generators and switch gears, several chemicals and allied products like dyes, photo-chemicals and agarbattis and several agricultural and allied products like HPS groundnut, tomatoes, marine products, shellac, spices and items like tea, coffee, leather goods, handicrafts, sports goods, gems and jewellery, jute manufactures, coir and feature films. The list of products which can be imported from Argentina include agricultural equipment, fishing vessels, machinery for dairy, textile

and leather industries, nickle and tin.

During the five years period 1975-76 to 1979-80, India's exports to Latin America increased by 5.5 percent, the annual growth being as low as 1.1 percent the lowest in Hard Currency area. In terms of value, the average annual exports were about Rs. 200 million. As regards to imports from Latin America, growth of 223.9 percent was registered, the highest when compared to all the other major territorial segments. Whereas Latin America accounted for 0.3 per cent of India's total exports during 1979-80, its share in India's total imports was 1.3 per cent.

An analysis of trade figures for the year 1978-79 and three year average of 1976-79, indicates that the major countries, Venezuela, Brazil, Argentina and Mexico together accounted for 70 percent of Indian exports and 88 percent of her imports, to and from Latin America, the two way trade being 78 per cent. In the Caribbean region Trinidad and Tobago was India's major trading partner followed by Netherlands Antilles, Guyana and Surinam.

Promoting Indo-Kenyan Economic Co-operation

India and Kenya have indentified machine tools, spare parts for defence, textile weaving and leather and tanning projects, to be taken up for early implementation under bilateral cooperation programme for industrial development in Kenya. In addition, the two countries have also formulated proposals with regard to survey for manufacturing of pesticides, perspec-

tive plan for development and setting up research and development facilities for electronic industry, assistance to Kenya industrial research and development institute, development of agricultural machinery and assistance to Kenya Bureau of Standards with regard to standardization and quality control. Broad parameters, scope and size of the projects have also been identified and time bond action plans agreed to.

This was the outcome of detailed discussions between an Indian delegation led by Mr K.P. Anand, Joint Secretary in the Ministry of Commerce, who recently visited Kenya and officials of the Kenyan Government. The visit of the Indian delegation was a follow-up the decision taken during the visit to India by the Kenyan President Mr. D.T. Arap Moi, when it was agreed that such a delegation will visit Kenya to undertake identification of specific projects of collaboration between the two countries and to investigate further areas of cooperation in trade and industry.

The Indian delegation, during their stay in Kenya, also had detailed discussions on soft-ware support of experts to that country and training in India. On training, it was agreed that there was need for further consultation in respect of certain proposals made by the Government of Kenya. It was also recommended by the Indian delegation that a specialised team from India should visit Kenya to prepare a detailed project document on the establishment of a small industry Extension Training Institute.

Hundred million rupees line of credit between the Industrial Development

Bank of India and the Industrial Development Bank of Kenya was also discussed by the officials of the two countries and it was agreed that the officials of the two Banks would meet to finalise the relevant details.

It may be mentioned that India and Kenya have already included a Trade Agreement, which provides for the two countries a most favoured nation treatment in matters of trade.

India to Assist Nigeria in Developing Small Industries

The visiting Nigerian Minister for National Planning, Mrs. A.E. Oyagbola, sought Indian assistance in the development of small scale industries and industrial estates in Nigeria during her discussion with the Union Industry Minister, recently in New Delhi.

The Indian Minister explained the concept of ancillary and small sector in India. He offered assistance to Nigeria in planning industrial settlements area wise with forward and backward linkages so that the generation of ancillary feeder industries is maximised.

The two Ministers discussed the scope of enlarging Indo-Nigerian industrial and economic cooperation. Mrs. Oyagbola expressed satisfaction at the progress of the joint venture between HMT and the Nigerian Government for the manufacture of machine tools. The Indian side requested the Nigerian side to indicate the new areas of priority in which India could participate in the development plans of Nigeria.

The Nigerian Minister appreciated

the Indian approach to industrialisation which has assisted in providing not only a wide-spread to industrial development but has also enthused a catalytic effect among the private entrepreneurs. Both sides agreed to pursue the scope of expanding industrial cooperation between India and Nigeria in the field of basic chemicals, drugs and pharmaceuticals, oil refining and petro-chemicals and engineering sector. The object of these efforts would be to promote self-reliance of Nigeria in her technical capabilities.

Institutional arrangements to share experiences in planning and exchange of experts and technologies between Nigeria and India were also discussed. Mrs. O.A. Oyagbola, met the Union Minister of Planning and Labour and Deputy Chairman, Planning Commission. The Nigerian Minister of Planning stressed that Nigeria, which was largely dependent on imports from developed countries for its requirements, was keen to develop economically and be self-sufficient as early as possible. In this context Nigeria was keen to benefit from Indian experience and would welcome closer economic cooperation with India. Cooperation among developing countries was necessary, she said.

The Indian Minister outlined the industrial thrusts in the Sixth Five Year Plan. He said that link ages of heavy industries, small-scale industries and cottage industries had been given appropriate attention in the Indian successive Five Year Plans. Through the process of linkage, the development of ancillary industries and creation of infrastructure had been ensured. Traditional industries were

encouraged to develop modern technology. However, in the process of technological upgradation, every effort was being made to develop and use technologies which while adding to productivity did not effect adversely the growth of employment. He referred to India's firm Commitment to use of science and technology for balanced social and economic development.

Improved Export Performance of Heavy Industry Units

Public sector undertakings under the Union Department of Heavy Industry executed export orders worth Rs. 250 million during June, 1981. Cumulative exports by these undertakings during April-June, 1981 amounted to Rs. 620 million, marking an increase of 9 percent over the exports of Rs. 570 million during the corresponding period last year. These undertakings also secured export orders worth Rs. 180 million during June 1981. This included an order worth Rs. 145 million secured by Bharat Heavy Electricals Ltd. (BHEL) from Saudi Arabia for electrification of 72 villages and towns and expansion of 3 sub-stations. This follows the successful completion of Rs. 720 million contract by BHEL for setting up 42 MW power station in Saudi Arabia.

Orders pending for execution with these undertakings stood at Rs. 8180 million at the end of June 1981, which inter-alia included Rs. 5410 million with Engineering Projects (India) Ltd; Rs. 1690 million with BHEL; Rs. 480 million with Heavy Engineering Corporation Ltd., Ranchi; and Rs. 270 million Mining and Allied Machinery Corporation Ltd., Durgapur.

Increased Emphasis on Export Production

Inaugurating a meeting of Export-Import Advisory Committee (northern Zone), recently, Mr. Pranab Mukherjee, Union Minister of Commerce, Steel and Mines, emphasised the need to curtail all avoidable imports, and to remove impediments in the implementation of import-export policies so as to increase production and exports. He underlined that import and Export policies had a vital place in the over all economy of the country. That was why, he added, that in formulating the import policy for the current year, due care was taken to see that the country was able to reduce dependence on imports on the one hand, and provide essential inputs to the industry so that industrial production pick up both for domestic use and for exports. Elucidating the various steps taken by the Government in this regard, the policy was made more that in respect of as many as 207 items, the policy was made more restrictive taking into account the indigenous production. In respect of another 202 items, however, the policy was made comparatively liberal to fill the gap between domestic production and demand. A number of steps were also taken to help the export drive. The interests of the small scale units were particularly kept in view. A major simplification was introduced to enable the small scale units to obtain repeat licences for raw materials and components upto Rs. 100,000 in value without having to show past consumption. This facility would help as many as 4,000 units in the small scale sector. On the export side, the scheme of duty-free in ports against REP licences

was enlarged to include import of raw wool against exports of hand-knotted woolsen carpets. The 'Actual User' condition had also been done away with under this scheme so that small scale units were able to make use of it to a greater extent. He said that after the announcement of the import policy also, changes had been made wherever necessary to protect the indigenous industry and to help export efforts and stressed that this exercise would continue.

Referring to a standing demand for setting up a dry port in Delhi, The Minister said that [although it had not been possible to make any tangible headway in that direction on account of the various complexities involved, efforts were in progress to start an Inland Container Depot at Pragati Maidan in New Delhi which would provide the much-needed import-export facilities in the Northern region. A good deal of preparatory work had been completed in this regard and efforts were being made to put it through as early as possible, he added.

Indo-USSR Tele-Communication Co-operation

Direct troposcatter link between Delhi and Moscow is expected to be operational by early September this year. Installation of the equipment at the Indian terminal is almost complete and preliminary testing has commenced.

The existing telecommunication services between India and the USSR are provided by using a high frequency radio link between Delhi and Moscow, supplemented by hardpatched satellite circuits via London and Paris. Recently a direct satellite link has been opened between Delhi and Moscow. Due to

the technical and traffic limitations of these channels, a direct troposcatter link between the two countries was mooted in 1977. A protocol for providing a direct troposcatter communication link between Charar-e-Sharif near Srinagar and Dushanbe in Tashkent (USSR) was signed in May 1977.

A troposcatter system works on the principle of refraction of the radio waves at the mountain tops. In this system, the radio waves will be directed towards mountain peaks of the Himalayas separating India from the USSR, which will act as knife-edges to bend a small portion of the resultant energy in the direction of the receiving terminal. Though short tropo links have been successfully tried, the Indo-USSR link will be one of the longest hops using this technology.

It was envisaged in this Project that the radio equipment for both the terminal will be supplied by the USSR while the antenna system would be supplied by India. The system would be initially provided for upto 12 voice grade channels and will be capable for expansion to 24 channels with increase of transmitter power. The channels derived from this link will be connected to the New Delhi International Switching Centre via the national microwave link between Srinagar and New Delhi. Similar extension would be done on the USSR side as well.

The estimated cost of the project for the Indian terminal which is located at Charar-e-Sharif, about 23 kms. west of Srinagar, is Rs. 39 million, with a foreign exchange component of Rs. 9.2 million. The antenna system at both the ends have been supplied by

Electronics Corporation of India Ltd (ECIL). The system engineering and assistance from USSR engineers is being availed of for installation and testing of the equipment. The ECIL engineers were associated with the commissioning of the antenna system at Srinagar and Dushanbe. The civil and associated works are in progress. The rearward UHF link connecting Charar-e-Sharif terminal to Srinagar has been supplied by Indian Telephone Industries.

Co-operation between India and Japan

Notes were exchanged recently in New Delhi between India and Japan whereby Japan will extend assistance equivalent to Rs. 685 million to India. Mr S. V. S. Juneja, Additional Secretary, Department of Economic Affairs, Ministry of Finance, signed on behalf of the Government of India and Mr. Takanori Kazuhara, charged' Affairs of Japan in New Delhi, signed on behalf of the Japanese Government.

The Japanese assistance will comprise Rs. 643.7 million project aid and Rs. 41.2 million of grant aid. The project aid will cover (i) Telecommunication Expansion Project Rs. 369 million and (ii) the Nagariunasagar Hydroelectric Power Station Expansion Project (Stage II) Rs. 274.7 million.

The grant aid will be utilised for (i) the programme for increase of food production Rs. 39.2 million and (ii) the cultural and educational programme Rs. 1.962 million.

The loan assistance of Rs. 643.7 million will be repayable over a period of 30 years, including a grace period of 10 years and will carry an interest of 2.75 percent per annum. This constitutes

over 50 percent of the Japanese credit to India of 30 billion Yen pledged by the Government of Japan at the Aid India Consortium Meeting in July 1980.

The grant of Rs. 39.2 million for the programme for the increase of Food Production will be used for the purchase of fertiliser from Japan. The grant of Rs. 1.962 million for Culture and Education will be used for the purchase of sports and physical education equipment from Japan.

Industrial Growth and Diversification

Big Increase in Power Output Planned

To meet the growing demand for power, Government of India has drawn a massive programme of energy development in the country. A total outlay of Rs. 26,5000 million has been provided for this sector in Sixth Plan. This forms 28 percent of the total plan outlay. The outlay on power sector alone is Rs. 192,65 million which is almost 20 percent of the total plan outlay in the public sector. This was stated by Mr. Vikram Mahajan, Union Minister of State for Energy while addressing a meeting of the Rotary Club of Faridabad Central Recently.

Mr. Mahajan said that where as coal production will be stepped up from 104 million tonnes to 165 million tonnes by the end of the Sixth Plan, the production of crude petroleum will go up by 10 million tonnes. There would be a big increase in power generation which will go up from a level of 112 billion units at the beginning of the Sixth Plan to 191 billion units at the end of the plan.

The Minister said that the power sector has recorded a phenomenon growth during the last three decades and the generating capacity has increased from 2300 MW in 1950 to 31,000 MW in 1980. However, in spite of the huge growth of the power supply industry it has not been able to keep pace with the faster growth in power demand. The Government has undertaken a number of short-term and long term measures to achieve a faster growth in power output. The Minister expressed confidence that Government would be in a position to overcome the power shortages in the near future.

The short-term measures include improvement in the capacity utilisation of existing thermal plants. Several timebound renovation and betterment programmes for major thermal stations have been prepared and are now under implementation. Greater attention is also being given to training of various categories of technical personnel for the maintenance and operation of thermal stations. These measures have already started yielding results and the capacity utilisation which was nearly 45 percent last year has improved to 52 percent.

Other short-term measures include greater attention to expedite the commissioning of on-going projects, timely supply of equipment and materials needed for these projects and reduction of gestation period of power projects.

In the long-term, Government has planned to execute as many projects as possible with a view to achieve a substantial increase in the generating capacity. During the Sixth Plan 28,000 MW of additional capacity will be

created and by the turn of the century nearly 100,000 MW of generating capacity will be added thereby increasing the present capacity of 31,000 MW by nearly four times.

The Minister said that centre will have a greater role in power generation with a gradual increase of emphasis on hydro development. The Minister told the Rotarians that a number of hydro Projects are held up on account of inter-state issues. Centre has suggested to the concerned States to hand over such projects for implementation in the Central sector.

The Minister said that emphasis was being laid on the development of alternative sources of energy. These include development of tidal waves, wind power, geo-thermal, bio-gas and solar energy. Research in power industry is also being intensified.

Micro-Alloy Steel by IISCO

The State-owned Indian Iron and Steel Company (IISCO) has joined the select group of steel plants now producing micro-alloy steel. In the parlance of metallurgy, it is called high strength low alloy (HSLA) steel. The first micro-alloy steel produced at IISCO was by adding niobium in a specific quantity to the mild steel while tapping in the melting shop. Although the steel thus produced contains the alloying metal in a very small quantity but its tensile strength and other properties improve tremendously.

Industrial Production Records Increase

An analysis of provisional production data for 148 selected industries which account for 83 percent weight in the

general index of industrial production shows 14.7 percent increase in April 1980. One hundred and thirteen industries accounting for a weight of a little over 73 percent in the general index recorded positive rates of growth out of which 74 industries with a combined weight of around 39 percent registered an increase of more than 10 percent.

The analysis of provisional production data of 29 selected industries accounting for a weight of 46.5 percent in the general index showed an overall increase of 19.4 percent in their production in May 1981 over the same period a year ago. Substantial increases have been recorded by crude petroleum, electricity, cement, nitrogenous fertilisers, saleable steel, aluminium, sugar, etc.

Out of 29 industries analysed as many as 25 industries accounting for nearly 46 percent of the overall weight in the general index showed positive growth.

Expansion of ITI Factory

The Indian Telephone Industries (ITI) have approved an expansion plan for its Srinagar Unit for assembly of 100,000 telephone instruments per annum. As per the proposal, the Unit at Srinagar will assemble '677' type telephone instruments in a phased programme to reach 100,000 telephones in 1983-84.

While the Srinagar Unit would continue to receive the important parts like transmitters, receivers and dials from Bangalore and Naini Factories, the Srinagar Unit itself would manufacture and procure other items through ancillary units. The capital cost of this expansion project is about Rs. 5 milli-

on. The additional manpower estimated for this expansion is ninety nine.

The ITI have also considered a proposal to set up manufacturing facility for telephone coiled cords at Srinagar. A provision of Rs. 7.5 million has been proposed in 1980-85 plan for the project. The additional manpower would be about fifty to seventy five.

Starting with a production value of Rs. 265,000 in 1970-71, the value of the various products manufactured by the Srinagar Unit reached Rs. 5.8 million during 1979-80. The unit has assembled 5,100 telephone instruments in 1977-78, 12,634 in 1978-79 and 10,816 during 1979-80.

The Srinagar unit was set up in March 1970 to manufacture spare components required by the P and T Department, such as textile braided cords, alarm type fuses, assembly of terminals, PVC sleeves and moulded parts of '332' type telephone instruments. In 1976, assembly of telephones from the components supplied by Naini unit was also added to the product-lines of the Srinagar unit.

Sixth Plan Allocation for Civil Aviation

An outlay of Rs. 1535 million has been made in the Sixth Five-Year Plan for the proposals of the Civil Aviation Department. This outlay includes Rs. 105 million for the third level air services. An amount of Rs. 502.5 million has been allocated for works at aerodromes including construction of new aerodromes. The continuing and new schemes connected with Aeronautical Communication services will account for Rs. 730 million. Equipment, ground and safety

services relating to air routes and aerodromes have been provided Rs. 237.5 million. The balance plan allocation will cover training and education of aviation personnel, research and development. Operation of air-routes and aerodromes, aeronautical inspection and air safety.

The civil aviation development plans relate to improvement in terminal facilities such as construction, extension and modification of terminal buildings.

The plan allocation will also be utilised for strengthening and extension of runways, taxiways and aprons. Construction and modernisation of technical blocks and control towers will be taken up. Aeronautical communication channels: radio and radar navigational aids will be augmented and modernised. Civil Aviation Department has at present 85 aerodromes under its control.

PAL System of Colour TV for India

The Government of India has decided to adopt PAL system for colour television in India.

PAL (phase Alternation Line) is one of the three systems adopted by various countries for colour television. The other two are SECAM (Systems Electronique Couleur Avec Memoire) and NTSC (National Television Systems Committee), so called because it was developed as a result of the work done by this Committee in the United States to develop a system which was compatible with black and white transmissions. Both PAL and SECAM are modifications of the NTSC system.

Among the major countries PAL system is in vogue in Britain and West Germany while France and USSR have adopted the SECAM system.

It may be recalled that the Government has entrusted the task of covering the Asian Games in colour to Doordarshan. While the domestic telecasts will be in black and white, the colour coverage will be made available to foreign T.V. organisations operating in colour. For this purpose, Doordarshan has been permitted to acquire four colour OB vans, colour cameras and some electronic equipment.

Science and Technology

Natural Colours for Food

Concerned about the toxic effects of synthetic colours used in food preparations and beverages, the Central Food Technological Research Institute (CFTRI), These will be obtained in the form of powder from safflower petals, blue grapes, kokam (*Garcinia indica*) fruit and beet-root. These colours find use in a wide range of products like syrups, jams, jellies, sauce, soft drinks and dairy products. CFTRI's studies have been confined mainly to pigment-bearing extract from edible materials of vegetable origin that are considered generally safe.

Data Base at INSDOC

A data base of on-going research projects of the Council of Scientific and Industrial Research and Indian Universities including institutions of higher learning has been created at the Indian National Scientific Documentation Centre (INSDOC), New Delhi in collaboration with the

Department of Science and Technology. The data base has information on 10,625 research projects under way in different fields of science and technology in 27 laboratories of CSIR, 100 universities, 5 IIT's and 7 institutions deemed to be universities. The information is arranged subject-wise and is supplemented with various indexes namely, keyword index, investigator index, sponsor index and institution index. It will help in planning R and D projects besides avoiding duplication of research work in the country.

Thermo Silico Tester Developed

The Central Scientific Instruments (CSIO), Chandigarh, has designed and developed a thermo silico tester, an equipment used for indicating the quantity of silicon present in molten cast iron. The equipment is based on the principle of thermo-emf measurement. By knowing the silicon content, the composition of the molten metal can be suitably modified for getting the desired silicon content. The equipment is useful in cast-iron foundries.

MMTC Makes Headway

The Minerals and Metals Trading Corporation of India (MMTC) has been playing a significant role in the export and import trade of the country. The overall trade turnover of the Corporation during 1979-80 increased by 21.2 per cent over 1978-79. This trend continued during the subsequent year also. The overall turnover, during April-December 1980 rose to Rs. 13,401 million compared to Rs. 9389 million during the same period of

1979-80 marking an increase of about 43 percent, says, the annual report of the Ministry of Commerce. The trade turnover of the Corporation during the last few years has been as under :

	(Value Rs. million)		
	1978-79	1979-80	April-December, 1980
Exports	1954	2155	1933
Imports	9630	11878	11417
International Trade	49	66	51
Total			

During the year 1979-80, the value of exports by the Corporation showed a substantial increase of over 10 per cent. This is particularly significant in the context of the commodity composition which consists almost entirely of primary products from the mineral sector such as iron ore manganese ore, coal, barytes and chrome ore. It is only very recently that the Corporation has sought to diversify its commodity base through export of products made out of imported metals. A beginning was made earlier with stainless steel. During the period April-December, 1980, this activity continued through with modest results. The Corporation also continued with its efforts to export non-canalised minerals. It met with some success in exporting a small quantity of granite in 1979-80.

Recently another small trial order has been secured.

Exports of iron ore by MMTC during the period from 1977-78 to 1979-80, have been as follows :

Year	Quantity (Million Tonnes)	Value (Rs. Million)
1977-78	122.9	625.1
1978-79	136.6	1631.6
1979-80	138.7	1701.51
1980-81	122.3	1663.1

The Corporation continued its efforts to diversify markets for iron ore during the period under export. The efforts in this regard were particularly satisfying and new markets for iron ore were established in Malaysia, Saudi Arabia, Pakistan and USSR. A long-term contract was concluded with Pakistan Steel Mills Corporation for supply of 1.93 million tonnes of iron ore during the period 1980-81 to 1986-87. Similarly for the first time, 2 million tonnes of iron ore was exported to USSR during the last year. A noteworthy feature of the Corporation's iron ore exports has been destination shift that has taken place. Share of Japan in total exports was 67 percent in 1977-78. By 1979-80 it came down to 53 percent. This trend is expected to have continued in the subsequent year also.

Exports (inclusive of black iron ore) during 1979-80 totalled 673,000 tonnes, valued at Rs. 138.7 million, as compared to Rs. 668,000 tonnes valued at Rs. 164.1 million during the previous year. For 1980-81, a target of 700,000 of manganese ore was set in line with the ceilings. Against this, contracts for almost the entire quantity have been concluded. During April to December, 1980 the Corporation has exported 371,000 tonnes, valued, at Rs. 81 million compared with 376,000 tonnes, exported

during the corresponding period of year prior to it. Keeping in view the nominations of ships in hand and tentative shipping programmes indicated by overseas buyers, it is anticipated that the Corporation will be able to ship a quantity of 650,000 tonnes during the previous fiscal year.

Only a modest export target of 140,000 tonnes for export of coal valued at Rs. 43.6 million was fixed for 1980-81. During April-December, 1980, the Corporation exported 59,610 tonnes of coal valued at Rs. 16.5 million to Bangladesh against last year's contract of 120,000 tonnes for delivery from October 1979-September 1980. The Corporation concluded on November 21, 1980, two contracts for export of coal—a contract with Bangladesh railways for export of 35,000 tonnes of steam (non-coking) coal, and another one with Coal Controller Bangladesh for export of 85,000 tonnes of non-coking coal. For both contracts, supplies are to be completed by the 30th November, 1981.

Export of barytes fully canalised from May 3, 1979. In view of a change in the export policy (effected from May 17, 1980), which allows mine owners also to export (except to Iraq and on government-to-government basis), the target of 500,000 tonnes set earlier for export during 1980-81 was revised downwards to 240,000 lakh tonnes for 1980-81.

Exports of chrome ore, canalised through MMTC since August, 1978, are subject to quantitative restrictions. Quota are released by Government on a year-to-year basis, keeping in view the need for conservation. For the year 1980-81, the Government has

released for export 350,000 tonnes. Nevertheless, because of the difficult international market conditions and inadequate loading facilities of Paradip Port the major outlet for chrome ore exports, the Corporation set a target of 227,000 tonnes valued at approximately Rs. 155.6 million for the year 1980-81. Against this, from April to December 1980, 115,000 lakh tonnes valued at Rs. 80.5 million have been shipped compared with Rs. 182,000 tonnes valued at Rs. 123.6 million exported during the corresponding period of previous year.

Export of khashi sillimanite and sillimanite of Maharashtra region are canalised for export through MMTC within a ceiling. However by export instruction No. 19/80 dated the 10th June, 1980, export of all types of sillimanite has been banned with the exception of granular sillimanite produced by Indian Rare Earths Limited and Kerala Minerals and Metals Limited. Before the ban was imposed, the Corporation had exported 60 tonnes valued at Rs. 107,000 compared to 100 tonnes during the whole of the previous year.

The Corporation continued with its efforts at exporting non-canalised items. During the period under review, the Corporation secured a order from West Germany of 30 cubic metres of two varieties of granite. The cargo is awaiting shipment at Mangalore Port. With the successful completion of this trial order, more are expected to follow. In the meantime, new markets for various types of granite are being surveyed.

The Corporation introduced a new export promotion strategy a couple of

years ago. The scheme is based on export of products made out of duty-free material imported by the Corporation and made available to fabricators in India. During 1979-80, the Corporation exported stainless steel products worth Rs. 2.1 million under this scheme. From April to December 1980, stainless steel products worth about this value were exported as against Rs. 1.5 million in the corresponding period of last year.

Scarce raw materials such as non-ferrous metals (Copper, lead, nickel, tin etc.) are canalised through the MMTC in order to provide, assured and timely supplies to various sectors of the economy, including the units in small scale at uniform prices, or in consonance with the objectives of Government policy.

Import trade turnover of the Corporation from April to December, 1980, increased by about 46 percent over the corresponding period of last year. The following table gives the import trade turnover of the Corporation for the year 1977-78, 1978-79, 1979-80 and for the first nine months of 1980-81.

	1979-80	1979-80	1980-81
			(April-December)
Non-ferrous metals	3376.9	4065.8	4126.8
Stainless Steel	976.3	1043.6	588.2
Industrial Raw Materials	302.8	465.0	296.8
Fertilizer and Fertilizer Raw Materials	4905.6	6303.8	6405.2
Diamonds	68.3	—	—
Total	9629.9	1188.2	11417.0

MMTC has been an import provider of non-ferrous metals to Indian industry. The international prices of the non-ferrous metals (copper, zinc, lead and tin) are characterised by wide fluctuations. MMTC's operations in these metals impart a degree of stability in domestic prices of these metals. The Corporation provided during April-December 1980, various non-ferrous metals to industrial users worth Rs. 4126.8 million as compared to Rs. 2731.2 million during the corresponding period of the previous year. To ensure efficient service to consumers, distribution centres were opened at Bangalore, Kanpur, Ludhiana and Yamunanagar, and recently at Hyderabad, Cochin and Jaipur, in addition to the existing ones at Delhi and Ahmedabad.

During the first nine months of the last financial year, the Corporation made available to the actual users 11,899 tonnes of stainless steel valued at Rs. 588.2 million as compared to 18,111 tonnes valued at Rs. 731.4 million, during the corresponding period of last year. The fall in off-take reflects the with-

drawal of speculative demand on increased supplies made available by the Corporation as also increased inflow under various provisions of the liberalised import policy.

Amongst the various industrial raw materials (asbestos fibre, antimony metal, mercury and AG flourspar) canalised through the Corporation, the main item of import is raw asbestos fibre. The Corporation made available to the industries during April-December, 1980, a quantity of 52367 tonnes of raw asbestos valued at Rs. 264.3 million compared with 55405 tonnes valued at Rs. 250.1 million during the corresponding period of previous year.

With the growing demand of fertilizers in the country, MMTC has increased its efforts in performing the role of supplementing through imports, the availability of fertilizers from domestic production. During the first nine months of the last fiscal year, the Corporation imported approximately 3.75 million tonnes of fertilizers valued at Rs. 5111.7 million.

In addition to this, 1.4 million tonnes valued at Rs. 2500 million are to be imported between January and March, 1981. Besides finished fertilizers, the Corporation imported 469,000 tonnes (Rs. 673.3 million) of sulphur and 979,000 tonnes (Rs. 620.2 million of rock phosphate) during the period under report. The Corporation expects to import another 368,000 tonnes of sulphur and 371,000 tonnes of rock phosphate from January to March, 1981.

Under the import policy, import of rough diamonds are permissible under the replenishment scheme. Recently the Government of India have authorised the MMTC to function as an agency to import rough diamonds from producing countries and other markets to provide additional quantities of the raw materials for our diamond cutting and polishing industry. The Corporation has undertaken a survey of the possible sources of supplies. The survey will, among others, cover countries like, Ghana, Sierra, Leone, Central African Republic, Ivory Coast and Venezuela.

□

Read

ECONOMIC AND COMMERCIAL NEWS

to keep abreast of latest developments on

- EXPORT MARKETING
- INDUSTRIAL GROWTH
- SCIENTIFIC RESEARCH
- PRODUCT DEVELOPMENT
- QUALITY CONTROL ETC. ETC.

Single copy : 80 Paise

Annual Subscription : Rs. 40/-

Please send your subscription through crossed bank draft/Indian postal order in favour of "Trade Fair Authority of India", Pragati Maidan, New Delhi-110001.

Programme of Forthcoming Participations in Trade Fairs/Exhibitions Abroad

- | | |
|--|------------------------------|
| 1. Damascus International Fair, Damascus (Syria) | August 22 September 10, 1981 |
| 2. Ghent International Fair, Ghent (Belgium) | September 12-27, 1981 |
| 3. Budapest International Autumn Fair, (Consumer Goods), Budapest (Hungary) | September 18-27, 1981 |
| 4. Tehran International Fair, Tehran (Iran) | September 19—October 1, 1981 |
| 5. Baghdad International Fair, Baghdad (Iraq) | October 1-15, 1981 |
| 6. Indian Exhibition, Sydney (Australia) | October 6-9, 1981 |
| 7. Bucharest International Fair, Bucharest, (Romania) | October 15-23, 1981 |
| 8. Pret-A-Porter Feminin (International) Exhibition for Ladies Ready-to-Wear Clothing, Paris, (France) | October 17-21, 1981 |
| 9. Santiago International Trade Fair-FISA'81, Santiago (Chile) | October 29—November 15, 1981 |
| 10. Indian Exhibition, Nairobi, (Kenya) | January—February 1982 |
| 11. Indian Exhibition, Bahrein | February 1982 |
| 12. Cairo International Fair, Cairo (Arab Republic of Egypt) | March 1982 |
| 13. Indian Exhibition Algiers, Algeira | November 1982 |
| 14. Indian Exhibition Kuala Lumpur (Malaysia) | May, 1982 |
| 15. Indian Exhibition, London (UK) | November 1982 |
| 16. Indian Exhibition, Mexico | May 1983 |
| 17. Hannover International Fair, FRG | April 1984 |
-

For Further details, please write to : Manager (Exhibitions) Trade Fair
Authority of India, Pragati Madan, New Delhi-110001

FACILITIES FOR INTERNATIONAL EXHIBITORS AT INDIA INTERNATIONAL TRADE FAIR, 1981

Trade Fair Authority of India (TFAI) will organise India International Trade Fair 1981 (IITF '81) from November 14 to December 4, 1981 at Pragati Maidan, New Delhi. The main objective of the Fair is to promote international trade and encourage new investments in India as well as in third countries. The Fair will project India's allround progress in the fields of industry, agriculture, trade, science and technology. As many as 50 foreign Governments at the national level and more than 3,000 companies from India and abroad are expected to participate in the Fair.

With a view to making foreign participation meaningful, a number of facilities are being provided to the international exhibitors for expeditious disposal of the exhibits displayed by them. These are listed below :—

- (1) Government of India have issued instructions to all Ministries and public sector undertakings that as far as possible, in regard to their import requirements, they should make their purchases from the goods that are displayed by international exhibitors at the Fair.
- (2) The capital goods requirements have been compiled in the form of booklet which is available with TFAI for reference of those foreign governments and firms who wish to participate in the Fair. This will facilitate the concerned Departments to make their selections and order for their purchases from the exhibit that are displayed at the Fair.
- (3) For expeditious disposal of exhibits that are displayed at the International Fair, Government of India have streamlined customs and licensing procedure as under :—
 - (a) Fair Quota to the maximum of Rs. 5 million in foreign exchange per exhibitor has been earmarked for disposal of the exhibits displayed at the Fair.
 - (b) In respect of capital goods upto a value of Rs. 1 million per item Chief Controller of Imports and Exports (CCI and E) has simplified the licensing procedure to ensure that such licence are issued on the spot.
 - (c) In respect of items of the value of over Rs. 1 million, special meetings of the Capital Goods Committee (CGC) will be convened to ensure that these applications for import licences are disposed of expeditiously.
 - (d) Items falling under Open General Licence (OGL), and Indian importers holding licence for the items of their purchase, will be allowed direct purchases and clearance by the Customs located at Pragati Maidan.
 - (e) Customs and Chief Controller of Imports and Exports offices will be located at Pragati Maidan to facilitate expeditious clearance of goods.
 - (f) As an incentive for developing countries to participate in the Fair, following items of consumer goods which are otherwise banned for import into India, have been permitted for disposal by the developing countries participating in the Fair : handicrafts, garments, jute goods, toys other than electronics, cosmetics, house-hold goods other than electrical and electronics, ladies fashion wear, leather goods, glass-wares, dry fruits, and honey.
 - (g) International exhibitors have been allowed duty-free import of publicity and advertising materials for free distribution during the Fair.
 - (h) To make participation more attractive, several other relaxations in regard to customs and licensing regulations have been agreed to by the Government.

The licence fee will be Rs. 100 per square metre for open area and Rs. 400 per square metre for covered area. Foreign participants will, of course, be required to pay the fee in foreign exchange. Further details may be obtained from the Trade Fair Authority of India, Pragati Maidan, New Delhi-110 001.

economic and commercial news



News Highlights

PM Addresses UN Energy Meet at Nairobi

Prime Minister Mrs. Indira Gandhi called for a world policy to ensure equitable distribution of conventional energy and joint development of new and renewable source of energy. In her keynote address at the United Nations conference on "New and Renewable Source of Energy" held recently at Nairobi, the Prime Minister urged the world community to make energy a focal point of contemporary international co-operation. Mrs. Gandhi suggested the creation of an international consortium dedicated to mobilising bilateral credit and aid from institutions and which would allow for compact planning and monitoring of world energy programme and also an expanded programme for technical assistance in energy, planning, manpower training and support for R and D and pre-investment studies.

Indian Company Bags Tunisian Contract

The Tea Trading Corporation of India (TTCI), Calcutta, has been awarded a contract for supply of 3,000 tonnes

Export Performance and Potential

Further Economic Co-operation between India and Nigeria

The first session of the Indo-Nigerian Joint Commission was held recently in New Delhi. The Indian delegation was led by Mr. R. Venkataraman, Union Minister of Finance and the Nigerian Delegation was led by Mrs. Adenike Ebun Oyagbola, Minister of National Planning, Government of the Federal Republic of Nigeria. The discussions were held in a cordial atmosphere reflecting the relations which have traditionally prevailed between the two countries. The Joint Commission identified a number of areas for co-operation between the two countries.

It was agreed that India would provide technical co-operation in the form of exchange of information, services of Indian experts, training of Nigerians in the agricultural and allied fields such as rice production, food processing, plant protection, fertilizers, post-harvest technology and other subjects.

India would also provide to Nigeria such technical co-operation in the fields of rural development, live stock, fisheries and water resources development

Both sides agreed to expand industrial and technical co-operation between the two countries in sectors such as mining, small scale industries, telecommunications, electronics, machine-tools, transport, petro-chemicals, power generation and distribution.

The Nigerian side desired services of Indian experts in several technical

of tea by Office de commerce de Tunisienne (OCT), says a monthly commercial report issued by the Embassy of India, Tunis. This appears to be the largest single tea contract awarded by OCT to an Indian company and represents about 40 percent of the total annual black tea consumption of Tunisia. Earlier, TTCI completed a supply of 1,000 tonnes of tea in June, 1981.

Industrial Undertakings Exceed Production Targets

The cumulative production by public sector undertakings under the Union Department of Industrial Development during the first three months of the current financial year was 18.29 percent higher than the production of Rs. 430.39 million in the corresponding period last year. Similarly, the production by public sector undertakings under the Union Department of Heavy Industry during April - June, 1981, is valued at Rs. 2,657.40 million, 87 percent of the target of Rs. 3,040 million and this production of Rs. 2,657.4 million shows an increase of 19 percent over the production of Rs. 2,239.70 million achieved during the first three months of 1980-81.

Contents

Export Performance and Potential

Further Economic Co-operation between India and Nigeria	1
Promoting Indo-South Korean Trade Relations	3
Exports of Chemicals and Allied Products	4
Improving Export Competitiveness of Indian Tea	5
Industrial Growth and Diversification	
Increase in Output and Supply of Coal	5
Fertilizer Production Looks Up	6
Towards Self-Sufficiency in Zinc and Lead	7
Speedy Railway Transportation	7
Plan Outlay for Non-ferrous Metals Enhanced	8
Notable Growth of Automotive Sector	8
Science and Technology	
Calcutta Cyclotron Ready for Use	9
Tool for Dating Archaeology	9
Role of Tourism in India's Foreign Exchange Earnings	9

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this Journal.

fields. The Indian side responded positively to this request.

Both sides agreed that there was considerable scope for expansion of bilateral trade. A Trade Agreement and an agreement on avoidance of double taxation were being negotiated between the two countries. Discussions took place on various aspects of co-operation namely in railway transportation, merchant banking, Indian participation in Nigerian tenders and the progress of the Indo-Nigerian Joint Business Council.

The agreed minutes were signed on behalf of India by Mr. R. Venkataraman and on behalf of Nigeria by Mrs. Adenike Ebun Oyagbola.

It has been decided that the second meeting of the Indo-Nigerian Joint Commission would be held in Nigeria. It may be mentioned that economic co-operation in various fields between India and Nigeria has increased appreciable over the years. The Indian exports to Nigeria include transport equipment, tractor machinery, metal and cotton manufactures, medicines and pharmaceutical products, pearls and precious stones and cosmetics. From Nigeria, besides importing cocoa and crude vegetable and animal materials, India is importing crude oil.

Earlier, Mr. Venkataraman said that India was already helping Nigeria in many ways in its industrial development. India's participation in this area was growing, particularly in such important industries as machine tools, steel plants, paper industry and railway transport system. A large number of Indian experts were working in Nigeria and their expertise and dedi-

cation to work had been recognised by the host country. He added that regular shipping service to Nigeria from Indian ports would help growth of trade between the two countries.

Mr. Venkataraman said that Nigeria would find in India a reliable partner capable of offering machinery, equipment, engineering goods and services on economic terms. India would be interested in projects covering vegetable and fruit processing, assembly of tractors, setting up of small scale industries, development of irrigation and water resources, light machinery, pharmaceuticals, new railway lines, telecommunications and power schemes, he added.

Lauding India's contribution, the Nigerian Minister said that the Indian business community and experts had greatly helped in cementing friendly relations existing between the two countries. Nigeria, she said, drew inspiration from India's transformation from a predominantly agricultural economy to a self-reliant and modern industrial nation within a few decades. India, she said, was now one of the ten industrial nations in the world which were self-reliant in food. India was also manufacturing a wide range of industrial goods including air-craft, ships, motor vehicles, diesel and electric locomotives, construction equipment, machine tools, fertilizers, drugs, chemicals, light and heavy machinery, and an assorted variety of electrical and electronic goods.

Thanking India for the cooperation it gave Nigeria in the fields of transport, trade, telecommunications and man-power development, the Nigerian

Minister said that the Rail India Technical and Economic Services (RITES) had made substantial contribution to the development and modernisation of Nigerian Railways under the management agreement signed in July, 1979.

In the telecommunications sector, cooperation between the two countries had so far been limited to technical cooperation and manpower development. Under a contract signed in October last year, India were to depute 50 telecommunication engineers for training Nigerians in post and telegraph schools. A number of them had already arrived in Nigeria. Nigerians were also being trained in India in the use of cross-bar telephone equipment.

Promoting Indo-South Korean Trade Relations

Ways and means to increase and diversify trade and economic co-operation between India and Republic of Korea (ROK) were discussed recently at Seoul, when a high-level Indian delegation led by Mr. Pranab Mukherjee, Union Minister of Commerce, Steel and Mines, visited that country. During its visit, the third meeting of Indo-ROK Joint Trade Committee was held at Seoul.

Trade between India and the Republic of Korea is governed by an Agreement on Trade Promotion and Economic and Technical Co-operation signed between the two Governments in 1974. This Agreement indentified 52 commodities on either side for promotion of bilateral trade and it does not exclude items not enumerated therein. The Trade Agreement also provides that an India and Republic of Korea Joint Trade Committee will hold periodical consultations for trade review.

The bilateral trade between the two countries has registered a remarkable growth. It grew by 92.3 percent from 1977-78 to 1978-79 and by 178.8 percent from 1978-79 to 1979-80. India's exports to South Korea increased from Rs. 204.6 million in 1977-78 to Rs. 333.9 million in 1978-79 and Rs. 545 million in 1979-80. India's imports from Republic of Korea also increased from Rs. 284.5 million in 1977-78 to Rs. 397.8 million in 1978-79 and to Rs. 885.8 million in 1979-80.

India imported substantial quantities of cement from Republic of Korea in 1977-78, 1978-79 and 1979-80. In 1979-80 India's imports of cement accounted for about 40 percent of

her total imports from Republic of Korea. While prior to 1979-80 steel imports by Steel Authority of India Ltd. (SAIL) were not significant, in 1979-80 and 1980-81 substantial quantities of steel structurals, slabs/blooms, billets MS/HT plates etc. were imported. Imports of iron and steel items account for about 50 percent of India's imports in 1979-80.

India had earlier imported 33,000 tonnes of urea from South Korea in 1976. The MMTC also imported 63,000 tonnes of DAP fertilisers in 1977-78 and 30,000 tonnes of the DAP during 1980.

Items of export to Republic of Korea have been changing over the years. India has exported pepper, chillies, metal scrap, leather and leather manufactures, animal and vegetable oils engineering items etc. The main items of India's exports are iron ore and manganese ore. India's exports of iron ore accounted for 50 percent of her exports to the Republic of Korea in 1979-80.

India's trade with South Korea is, therefore, confined to items like cement and steel as imports and iron ore and manganese ore as exports.

Exports of Chemicals and Allied Products

(Value in Rs. million)

Sl. No.	Parels/ Product Groups	1978—79	1979—80	1980—81 (Estimated)	Export Projection for 1981—82
1.	Rubber Manufactured Products	73.3	77.5	130.0	160.0
2.	Footwear (Rubber and Canvas with rubber sole)	23.4	26.5	45.3	50.0
3.	Automobile Tyres and Tubes	126.1	112.0	127.0	200.0
4.	Paints, Varnishes and Allied Products	151.9	155.0	170.0	214.0
5.	Glasswares	186.7	175.0	196.0	385.0
6.	Plywood and Plywood Products including Wooden Furniture and Wood and Cork Manufactures	155.9	120.0	161.0	275.0
7.	Ceramics and Allied Products	151.5	120.0	120.0	165.0
8.	Processed Minerals and Refractories	279.6	355.0	365.0	500.0
9.	Paper and Paper Board	47.2	30.0	35.0	60.0
10.	Paper Products	51.8	50.0	55.0	100.0
11.	Book and Publications	64.6	65.0	75.0	65.0
12.	Crushed Bones, Bone Grist and Fertilizers	79.9	65.0	60.0	45.0
13.	Ossein, Glue and Gelatine	88.7	139.1	170.0	195.0
14.	Miscellaneous Items	42.4	33.3	21.0	35.0
Total		1523.0	1543.4	1730.0	2449.0

Improving Export Competitive- ness of Indian Tea

Mr. Pranab Mukherjee, Union Minister of Commerce, Steel and Mines, has impressed upon the tea industry as well as the Government's concerned for taking collective steps, so as to enable the industry to maintain its competitiveness in the world market.

He was presiding over the second day's session of the National Level Meeting on Tea Industry convened by the Commerce Ministry. The meeting was attended among others by the Ministers concerned of tea producing States.

Mr. Mukherjee said that the Central Government had recently enhanced substantially the rates of re-plantation subsidy as well as the quantum of plantation finance loans. This had been done with a view to assist the industry to increase its production as well as productivity. Further in the last budget, substantial accommodation had been provided by way of raising the development allowance under the Income-tax Act for extension of plantations. However, he observed that on the other hand, various State Governments had increased the level of taxation on the tea industry. Not only this but fresh levies in various forms had also recently been introduced. He said that this had to be considered in the background of the need for maintaining not only development programmes but also India's competitiveness in world markets. India had been the world's largest exporter and its export performance would in later years determine its export entitlements whenever an international agreement on tea was reached. It was, therefore,

necessary, he felt, that nothing was done at this stage that would harm the country's export prospects and potential. He asked all concerned to give a second look to this matter. "They should also consider not only in the present context but also what we wish this industry to be in future and the parameters within which it has to function", he added.

The Minister said that Government was not going to follow a policy of taking over the sick gardens. The proprietors and managers of the tea estates must demonstrate their ability to rise to the occasion and to perform their duties well. Profits of the industry should be re-deployed for the development of the industry. The quality of tea being produced must be improved so that the returns to the producers also improve. He said that there would always be market for better qualities of tea and it was time that we should try and exploit it. Further, he stressed the need to enter into processing of tea into higher value added form, which alone would be able to sustain the industry. They would have to economise on costs and use these resources for research, development and growth.

Mr. Mukherjee said that the world tea situation had been characterised, of late, by excess of supply over demand. The emergence of a large number of tea producing and exporting countries had led to abundant availability of tea in the world market and stiffer competition for Indian teas overseas. He recalled that this industry gives direct employment to about one million workers and another one million workers derive their sustenance from

industries which were ancillary to the tea industry. Moreover, in recent years the cost of various inputs required by almost all the industries had gone up but the tea industry, appear to be bearing a particularly heavy burden, as the price of tea had not kept pace with the escalating costs.

Mr. Mukherjee said that in view of the ever increasing import bills necessitated by heavy imports of petroleum and petroleum products, the need of the hour was to maximise the country's earnings from exports. This was only possible if the prices of its products in the international market were competitive.

Industrial Growth and Diversification

Increase in Output and Supply of Coal

As a result of various measures taken by the Government there has been a significant increase in the Coal production. In June 1981, the coal India Limited (CIL), under the Union Ministry of Energy, recorded an increase of 15 percent in coal output over the corresponding month last year, exceeding the target fixed for the month. The coal companies produced 8.20 million tonnes of coal during the month as against 7.15 million tonnes in June last year. The high increase in production was recorded by all the subsidiary companies.

For the first quarter as a whole, the coal production was 24.5 million tonnes against about 23 million tonnes last year. Coal India has thus achieved a growth rate of 7.2 percent in the

first quarter over last year's production which has exceeded the planned growth rate of 5.2 percent for the year as a whole.

There have been increases not only in production of non-coking coal but of coking coal for supply to the steel plants. The washeries have been functioning at a higher level of efficiency as a result of which in the first quarter production of washed coal has been 16 percent higher than in the previous year.

With the present trend in coal production, Coal India is confident of achieving its target of 106 million tonnes for the year as a whole. In fact, an exercise has been undertaken to see whether these targets can be exceeded.

As a result of the efforts put in by coal companies, there has been a substantial improvement in the supply of coal to different consuming sectors during the first quarter of the current year. Coal India supplied 11 percent more coal to its consumers in the first quarter of the year as compared to the last year. This increase was reflected in most major consuming sectors. In the case of the thermal stations, the Coal India has supplied 16 percent more coal during the first quarter of the current year than the corresponding period in the last year. Similarly, supplies to the cement plants have increased by 39 percent over last year's level. Steel plants, another core sector of the economy, have also been benefited from the improved performance of Coal India. The supply of coal to the steel plants has recorded a significant improvement of about 9 percent over last year. As a result

of this coal stocks with the steel plants which were about 100,000 tonnes at the end of June, 1980 were now 460,000 tonnes. These stocks are being built up steadily each month and it is expected that stocks will increase at the rate of 50,000 to 100,000 tonnes per month till the storage capacity of the steel plants of 750,000 tonnes is reached.

CIL with a view to meet the demand in full of the consumers has made arrangements to reclaim coal stocks from the pitheads for despatch. As a result the company, has been able to liquidate nearly 1.3 million tonnes of coal stocks from the pitheads. The present stocks of coal at the pitheads are estimated at about 16.3 million tonnes. Steps have been taken by Coal India to recover further coal from the stocks for despatch to consumers.

Coal India has plans to start 22 dumps at various consuming centres for distribution of coal and coke. Of these, 10 dumps are already functioning and 10 more dumps are expected to start functioning during July, 1981. Two dumps will start operating in August, 1981. Coal companies continue to release coal from certain identified mines without any restriction. Coal India has also adopted a new scheme under which superior grade of coal is released to the actual consumers on submission of certain documents to the effect that they are actual consumers.

Fertiliser Production Looks Up

With the easing of feed-stock and coal situation, it is now expected that nitrogen and phosphates production would rise sharply during 1981-82.

Nitrogen production, which was around 2.16 million tonnes in 1980-81, is expected to be 3.2 million tonnes during the current year, marking an increase of 1.04 million. Similarly, phosphates production would be about 925,000 tonnes this year, a marked increase over last year's production of 840,000 tonnes.

These expectations are underscored by production results of April and May 1981 when production was 430,000 tonnes of Nitrogen, representing a substantial increase of 140,000 tonnes over the previous year's production of 290,000 tonnes during these two months.

Meanwhile, five new fertiliser projects—Haldia and Trombay V in the public sector, GNFC (Bharuch) and Kanpur (Expansion) in the private sector and Kandla (Expansion) in the cooperative sector are under commission and would go into regular production during 1981-82.

These new projects would raise nitrogen and phosphates capacity significantly. Nitrogen capacity would go up from the present 4.58 million tonnes to 5.30 million tonnes and phosphates capacity would rise from 1.28 million tonnes to 1.40 million tonnes.

There are a number of other projects now under implementation. When completed, they would boost fertiliser capacity to 6.85 million tonnes of nitrogen and 1.53 million tonnes of phosphates by 1985-86.

To meet growing requirements of fertilisers, the Sixth Five Year Plan envisages an ambitious programme for development of additional fertiliser capacity. It is proposed to take up

in a phased manner as many as eight new nitrogen and 11 phosphatic fertiliser plants. Of these, six plants would be based on natural gas available from the South Bassin area. Recommendations of a Committee set up to suggest location of proposed gas-based plants are expected to be available shortly.

Towards Self-Sufficiency in Zinc and Lead

The prospects of attaining self-sufficiency in zinc and lead have brightened considerably with the discovery of large zinc deposits in Agucha in Bhilwara district of Rajasthan State. Besides, a number of other satellite deposits of polymetallic nature exist at Deri in Rajasthan and Ambamata in Gujarat.

Following this discovery, the State-owned Hindustan Zinc has commissioned a pre-feasibility study for the construction of a concentrator and a smelter. The project, which is estimated to cost about Rs. 2,500 million, is expected to be completed in about seven to eight years. With this, the production of zinc and lead would increase by 38,500 and 7,100 tonnes per annum respectively.

An allocation of Rs. 200 million has been made for this project in the Sixth Plan. It is expected that by the turn of the century the total production of zinc would be approximately 179,100 tonnes as against the anticipated demand of 180,200 tonnes.

Speedy Railway Transportation

Indian Railways have taken a number of innovative steps recently to improve the transportation system.

The new concepts of special rakes called Jumbo rakes, yellow box wagons, increased loads, electric and diesel traction and end to end running of trains are being tried. In a short span of last six months, the new strategy has helped the Railways in achieving marked improvement in freight traffic. The daily average originating loading of 26,576 wagons during April-October 1980 period, spurted to a daily average of 33,770 wagons in March this year. In April-June quarter this year, Railways loaded 3,14,300 wagons more than what was loaded in the corresponding quarter last year.

Over 500 jumbo rakes have been formed on various Zonal Railways with special type of covered wagons equipped with roller bearings and centre-buffer couplings. These wagons capable of higher speeds were put on express stream over long leads. With the help of jumbo rakes, it has been possible to carry foodgrains so efficiently that at the loading points the stocks were the lowest at the peak of procurement season and at the unloading points these were the highest ever during the last one decade. Movement of imported fertilisers except at 'Visakhapatnam' port, is mostly done by jumbo rakes.

The jumbo rake operation has not only helped towards lifting the foodgrains and the fertilisers but also helped towards better utilisation of other ordinary stock by removing coupling difficulties and improvement in the general mobility of wagons. It also reduced the workload on marshalling yards and terminals. While the average lead of freight traffic covered by other wagons is 760 Kms.,

the Jumbos have a lead of more than 1500 Kms—almost double the average lead of traffic.

Box wagons are special type open wagons meant for carriage of bulk traffic, particularly ores, coal and raw materials for steel plants and other industries. These wagons move in rakes between specific points. A yellow mark is put on these wagons so as to make a particular number of these wagons indentifiable even by uneducated staff, both in the railway yards and the steel plants, so that these could be kept segregated and undisturbed on the circuit for loading coal and iron ore. These wagons have been deployed between the iron ore mines and the steel plants.

Another innovation is the use of diesel or electric locomotives in specific sectors, suggested after steady and selective study of sections where steam engines were operating in the past. This operation has served the two-fold purpose of positioning and clearance of stock in the selected sectors, and making steam engines surplus.

Yet another change effected is the integrated operation and encompassing end-to-end running of through goods trains with the same electric or diesel engine. This has helped the railways to optimise the utilisation of these costly assets. Full train loads for a single destination are run with the same locomotive from originating point to the destination, eliminating detention at intermediate terminals, thus ensuring not only considerable improvement in engine and wagon utilisation but transit time of traffic.

It may be mentioned that the increase in Indian Railway freight traffic during the Plan era (1951-1980) has been from 44 billion tonne kms to 156 billion tonne kms and of passenger traffic from 66.5 billion passenger km. to 200 billion passenger kms. The growth of total traffic has thus been from about 110 billion to 356 billion, an increase of over 200 percent during these three decades. The projections of traffic to be dealt with by the Indian Railways during the current decade (1980-90) suggest an increase in freight traffic from 156 billion tonne kms. to 260 billion tonne kms and of passenger traffic from 200 billion passenger kms. to 300 billion passenger kms. The traffic load which the railways will be called upon to carry during this decade will thus almost be double.

Plan Outlay for Non-Ferrous Metals Enhanced

The Geological Survey of India (GSI) and Indian Bureau of Mines (IBM) would be considerably strengthened during the course of the Sixth Five-Year Plan. The GSI will place more emphasis on photo geology, satellite imagery and use of sophisticated instrumentation in exploration techniques. It would also acquire facilities for exploration both in the offshore and coastal areas as also in the deep sea. The IBM will be progressively strengthened with the completion of two laboratories at Ajmar and Bangalore and expansion of its existing laboratory at Nagpur. This would provide increasing facilities for ore dressing and mineral beneficiation.

According to the annual report of the Department of Mines, Ministry of Steel and Mines, the prospects of reaching a higher degree of satisfaction

by the turn of the decade in meeting the demand for non-ferrous metals have brightened as a result of considerably enhanced outlays amounting to Rs. 12,600 million in the Sixth Plan as against Rs. 4850 million in the Fifth Plan (1974-79). The annual plan outlay for the current year has also been stepped up to Rs. 2230 million as against Rs. 1750 million last year. The production of aluminium during 1980-81 is estimated at about 200,000 tonnes, about 8,000 tonnes higher than last year.

The report adds that the Orissa alumina-aluminium complex would be partly commissioned by the end of 1985. It would result in the production of 375,000 tonnes of alumina for export and 218,000 tonnes of aluminium for domestic consumption.

The production of copper in 1980-81 is anticipated to be 27,000 tonnes as against 22,471 tonnes in the previous year. With the completion of the Malankhand scheme in 1984-85, the production of copper would increase by another 23,000 tonnes.

The prospects of attaining self-sufficiency in zinc and lead have brightened considerably with the discovery of large zinc deposits in Agucha in Bhilwara district of Rajasthan State. There are a number of other satellite deposits of polymetallic nature nearby such as Deri in Rajasthan and Ambamata in Gujarat, the report points out. The report further says that the production of lead would increase from 14,000 tonnes in 1980-81 to 25,000 tonnes by 1984-85 as a result of completion of a recently sanctioned expansion scheme of the lead smelter in Visakhapatnam and completion of the Sargipalli lead project in Orissa in 1982-83.

Notable Growth of Automotive Sector

There has been a massive upswing in the performance of the automotive sector during the year 1980-81 compared to the performance in 1979-80. The production of commercial vehicles increased from 57,441 in 1979-80 to 71,877 in 1980-81, representing an increase of over 25 percent. There was a 13.7 percent increase in the production of tractors from 62,553 in 1979-80 to 71,150 in 1980-81. Jeep type vehicles registered a step-up of over 26 percent from 14,139 in 1979-80 to 17,881 in 1980-81. Production of motor, motor cycles rose from 91,108 in 1979-80 to 104,160 in 1980-81, representing an increase of 14.6 percent. Production of two-wheeler scooters crossed the 200,000 mark touching 213,115 in 1980-81 compared to 155,445 in 1979-80.

The most significant increase has been in the production of mopeds from 21,822 in 1979-80 to 1,29,230 in 1980-81. Three-wheeler production has recorded a hike of 53.5 percent from 17,486 in 1979-80 to 26,919 in 1980-81.

The picture is indicative of an all-round development of the automotive and automotive ancillary sector in the country, which is now geared to reach major international dimensions. The effort has been made possible by systematic attempts on the part of Government in providing the necessary input support, identifying and removing the constraints and creating the environment required for sustained self-generating growth of this vital sector. At every stage industrial units in this sector have been encouraged and even induced to

go in for modernisation and upgrading of their technology so that the Indian product is competitive in the world markets. Foreign collaborations have been permitted for upgrading the technology of 2-wheelers up to 100 cc. Exports have shown a significant increase in respect of commercial vehicles and scooters. During the year further progress is expected and the Indian automotive industry is poised to reach greater heights.

Science and Technology

Calcutta Cyclotron Ready for Use

The Variable Energy Cyclotron (VEC) of the Bhabha Atomic Research Centre at Calcutta is now a full-fledged facility.

The cyclotron can give well focussed beams of protons from 6 to 60 MeV, deuterons from 12 to 65 MeV, alpha particles from 25 to 130 MeV, and heavy ions like carbon, oxygen or nitrogen upto several hundreds of MeV. This versatility in accelerating various types of particles as well as broad energy range of the machine places it amongst half a dozen cyclotrons of this type in the world.

It will help in research work by national laboratories and universities in the front line areas in nuclear physics, nuclear chemistry, solid state physics, radiation physics, radiation chemistry, isotope production for applications in medicine, industry and agriculture, and for radiation damage studies of reactor materials.

Construction of the cyclotron was started at Calcutta in the newly developed area of Bidhan Nagar in 1970. The total cost of this project

is around Rs. 100 million, of which only Rs. 10 million is in foreign exchange, which was utilized for import of very special materials, components and some sophisticated equipment. The fabrication of a large part of this machine in India has created a skilled work-force and build-up of high technology.

A complex nuclear accelerator of this type is made up of a large number of components and sub-systems. For example, there is an electromagnet weighing 260 tonnes producing a magnetic field of 17,000 gauss over a large pole diameter of 224 cm, and its associated power supplies to produce the magnetic field, it has a very large vacuum system utilising oil diffusion pumps with pumping speed of over 50,000 litres per second to evacuate very large vacuum tanks; it has a radio frequency system of about 300 kilowatt power.

Tool for Dating Archaeology

The radiocarbon technique has been a revolutionary tool for dating in the hands of archaeologists. In recent years yet another promising chronological technique known as, "thermo-luminescence (TL) dating" has been made available to them. Though far less accurate than carbon 14 dating, it has some creditable features in its favour which make it popular.

First, it makes possible absolute dating of pottery. Hitherto, potteries have been dated on the basis of their style and fabrication technique. When it is considered that a vast majority of archaeological conclusions rest on pottery dating, the birth of TL technique which can give absolute dates, assumes great importance.

The second advantage is that thermo-luminescence makes possible dating beyond 30,000 years, which is about the limit for dating by the radiocarbon method.

Also, this method makes possible authentication of potshead (a piece of broken crockery with sufficient confidence from simple and quick TL measurements.

Lastly, TL characterisation offers immense possibilities in studies to determine the origins of archaeological artifacts.

Role of Tourism in India's Foreign Exchange Earnings

Unprecedented economic prosperity in many parts of the globe in the post-war years, together with greater leisure and the revolutionary growth of air transportation, have put tourism at the top of world trade today. It is now the world's second largest export industry. But tourism is not merely an industry. It is a movement. Several industries are geared to serve this movement.

Tourism is of course not a new phenomenon. People have been travelling for thousands of years, on pilgrimage or in quest of new lands and new ideas. But tourism, as we know of it today, is a post-World War II phenomenon. It has been the fastest growing activity in the past 30 years.

Thirty years ago, in 1950 only 25.3 million tourists undertook international trips spending an estimated US dollars 2.1 billion. In 1980, 285 million world travellers spent US dollars 92.5 billion. The growth has been so great that it is really a futile

exercise to work out the percentage growth.

In India tourism was an unknown activity at least one which deserved hardly any attention in 1950. However, the country must have woken up by 1951 for monitoring of this activity had started by then. In that year, India received a meagre 16,829 tourists bringing a foreign exchange earning of Rs. 77 million. By 1955 tourist arrivals totalled 33,269, a compound growth rate of 18.6 percent for the previous five years, with a foreign exchange earning of Rs. 103 million. By 1970, India received 280,821 foreign tourists and earned foreign exchange of Rs. 406 million. In 1980 India recorded international tourist arrivals of 800,150 with tourism receipts amounting to Rs. 4,820 million.

While the tourist arrival figures are based on an actual head-count taken from disembarkation cards, tourism receipts are estimated on the basis of tourist expenditure surveys carried out for the Department of Tourism by research agencies, except for the 1951 and 1955 figures quoted above which were the estimates of the Reserve Bank of India (RBI). RBI even today does keep an account of the invisible earnings of the country. And there is quite some difference between the tourism receipts as estimated by the Reserve Bank of India and the Department of Tourism. As against the Department of Tourism's own estimates at Rs. 4820 million in 1980, provisional estimates based on RBI's figures indicate that foreign exchange earnings from the travel account in 1980-81 amounted to Rs. 7,850 million.

In tourist statistics expatriate Indians visiting India, Pakistan and Bangladesh nationals are not counted. The Reserve Bank, on the other hand, takes into account all foreign exchange brought into India by any traveller irrespective of his nationality and irrespective of his length of stay or purpose of visit.

While the difference between the estimates of the Department of Tourism and those of RBI are yet to be reconciled, one can safely assume that tourism receipts of the country in 1980 were somewhere between Rs. 5,000 million and Rs. 7,850 million. The gap is substantial. None the less, even tourism receipts assumed Rs. 5,000 million, it makes this industry the third or fourth largest foreign exchange earning industry of the country.

This somewhat rosy picture of the place of tourism within the national economy, should be viewed against the world perspective. Of the 285 million world travellers in 1980 India received a meagre 800,150 or 0.21 percent of the world traffic. Of total world receipts of US\$ 92.5 billion India received US\$ 602 million (Rs. 4,820 million) or 0.65 percent of the world receipts. This of course is not a very happy situation.

But the comparison is somewhat misleading. Some 93 percent of the world tourist traffic is accounted for by the developed countries with only seven per cent coming to the developing countries. Only 0.5 percent of the world traffic comes to the South Asian region. Europe alone accounts for 73 percent of the world traffic. For a Frenchman to cross into Spain or for a Swiss to visit Italy is a matter

of only a few hours even if he were to motor down. No wonder countries in Europe received 208 million tourists last year.

This world perspective holds bright prospects and give us hope for the vast potential that is still available for expanding the base of tourism in India. The growth of tourism in this country over the past 30 years has been phenomenal and it will continue to grow very substantially in the next decade or two and in fact, beyond.

In 1979, the country had a poor year, recording a growth of only 2.2 percent. 1980 was twice as good with a growth of 4.6 percent. And in the first six months of this year, over 10 percent growth has been registered. However, this is not quite satisfactory. After all India had been recording increases of 15 and 20 percent. In fact, this is the only sector which maintained a steady increase of 14.6 percent in the decade 1968-78.

Besides the direct foreign exchange earnings from tourism, there is, of course, the multiplier effect. For the tourism industry in India this has been calculated at 3.27 times. This means that every tourist dollar that comes into the country turns around within the economy 3.27 times before it finally dissipates. This means that the Rs. 5,000 million earned in foreign exchange by the country in 1980 generated a total economic activity worth Rs. 16,350 million.

Tourism, of course, is not to be measured in terms of rupees and paise or dollars and cents only. It is a multi-disciplinary activity. There are other and perhaps even more important benefits accruing from tourism. Tourism has led to a more equitable distribution of income, generation of employment particularly in the rural areas, national integration and communal harmony and international understanding and goodwill. Tourism is an area where almost the sky is the limit.

Programme of Forthcoming Participations in Trade Fairs/Exhibitions Abroad

- | | |
|--|------------------------------|
| 1. Damascus International Fair, Damascus (Syria) | August 22-September 10, 1981 |
| 2. Ghent International Fair, Ghent
(Belgium) | September 12-27, 1981 |
| 3. Budapest International Autumn Fair,
(Consumer Goods), Budapest (Hungary) | September 18-27, 1981 |
| 4. Tehran International Fair,
Tehran (Iran) | September 19—October 1, 1981 |
| 5. Baghdad International Fair,
Baghdad (Iraq) | October 1-15, 1981 |
| 6. Indian Exhibition, Sydney (Australia) | October 6-9, 1981 |
| 7. Bucharest International Fair,
Bucharest, (Romania) | October 15-23, 1981 |
| 8. Pret-A-Porter Feminin (International)
Exhibition for Ladies Ready-to-Wear
Clothing, Paris, (France) | October 17-21, 1981 |
| 9. Santiago International Trade Fair-FISA'81,
Santiago (Chile) | October 29—November 15, 1981 |
| 10. Indian Exhibition, Nairobi, (Kenya) | January—February, 1982 |
| 11. Indian Exhibition, Bahrain | February, 1982 |
| 12. Cairo International Fair, Cairo
(Arab Republic of Egypt) | March, 1982 |
| 13. Indian Exhibition, Algiers, (Algeria) | May, 1982 |
| 14. Indian Exhibition, Kuala Lumpur
(Malaysia) | November, 1982 |
| 15. Indian Exhibition, London (UK) | November, 1982 |
| 16. Indian Exhibition, Mexico | May, 1983 |
| 17. Hannover International Fair, (FRG) | April, 1984 |

Further information can be obtained from: The Manager (Exhibitions) Trade Fair
Authority of India, Pragati Madan, New Delhi-110001

FACILITIES FOR INTERNATIONAL EXHIBITORS AT INDIA INTERNATIONAL TRADE FAIR, 1981

Trade Fair Authority of India (TFAI) will organise India International Trade Fair 1981 (IITF '81) from November 14 to December 4, 1981 at Pragati Maidan, New Delhi. The main objective of the Fair is to promote international trade and encourage new investments in India as well as in third countries. The Fair will project India's allround progress in the fields of industry, agriculture, trade, science and technology. As many as 50 foreign Governments at the national level and more than 3,000 companies from India and abroad are expected to participate in the Fair.

With a view to making foreign participation meaningful, a number of facilities are being provided to the international exhibitors for expeditious disposal of the exhibits displayed by them. These are listed below :—

- (1) Government of India have issued instructions to all Ministries and public sector undertakings that as far as possible, in regard to their import requirements, they should make their purchases from the goods that are displayed by international exhibitors at the Fair.
- (2) The capital goods requirements have been compiled in the form of booklet which is available with TFAI for reference of those foreign governments and firms who wish to participate in the Fair. This will facilitate the concerned Departments to make their selections and order for their purchases from the exhibit that are displayed at the Fair.
- (3) For expeditious disposal of exhibits that are displayed at the International Fair, Government of India have streamlined customs and licensing procedure as under :—
 - (a) Fair Quota to the maximum of Rs. 5 million in foreign exchange per exhibitor has been earmarked for disposal of the exhibits displayed at the Fair.
 - (b) In respect of capital goods upto a value of Rs. 1 million per item Chief Controller of Imports and Exports (CCI and E) has simplified the licensing procedure to ensure that such licence are issued on the spot.
 - (c) In respect of items of the value of over Rs. 1 million, special meetings of the Capital Goods Committee (CGC) will be convened to ensure that these applications for import licences are disposed of expeditiously.
 - (d) Items falling under Open General Licence (OGL), and Indian importers holding licence for the items of their purchase, will be allowed direct purchases and clearance by the Customs located at Pragati Maidan.
 - (e) Customs and Chief Controller of Imports and Exports offices will be located at Pragati Maidan to facilitate expeditious clearance of goods.
 - (f) As an incentive for developing countries to participate in the Fair, following items of consumer goods which are otherwise banned for import into India, have been permitted for disposal by the developing countries participating in the Fair : handicrafts, garments, jute goods, toys other than electronics, cosmetics, house-hold goods other than electrical and electronics, ladies fashion wear, leather goods, glass-ware, dry fruits, and honey.
 - (g) International exhibitors have been allowed duty-free import of publicity and advertising materials for free distribution during the Fair.
 - h) To make participation more attractive, several other relaxations in regard to customs and licensing regulations have been agreed to by the Government.

The licence fee will be Rs. 100 per square metre for open area and Rs. 400 per square metre for covered area. Foreign participants will, of course, be required to pay the fee in foreign exchange. Further details may be obtained from the Trade Fair Authority of India, Pragati Maidan, New Delhi-110 001.

economic and commercial news

News Highlights

President Inaugurates EEPC Silver Jubilee Function

Mr. Neelam Sanjeeva Reddy, President of India, inaugurated the Silver Jubilee function of the Engineering Export Promotion Council (EEPC) held at Vigyan Bhawan, New Delhi on August 17, 1981. Speaking on the occasion, he lauded the EEPC's efforts to increase the export of capital goods and projects and asked the Council to increase the exports ten-fold in the coming years from the current level of Rs. 9,000 million. According to EEPC, it envisages a target of Rs. 91 billion for export of engineering goods by the end of this decade. From the level of Rs. 50 million in 1955-56, India's engineering exports crossed Rs. 9,000 million in 1980-81.

Upswing in Steel Production

During April-July 1981, steel plants under the Steel Authority of India Ltd. (SAIL) produced 2.69 million tonnes of ingot steel and 1.676 million tonnes of saleable steel, thereby registering an increase of 18.6 per-

Export Performance and Potential

Big Rise in India's Engineering Exports

The Union Commerce Minister, Mr. Pranab Mukherjee, has urged the Engineering Export Promotion Council (EEPC) to evolve result-oriented measures of export promotion to bridge the widening trade gap. He was addressing the EEPC's Silver Jubilee Function held recently at Vigyan Bhawan, New Delhi.

The Minister said that the Government had taken various steps to promote production and exports, in general, and exports of engineering goods, in particular. The engineering export sector was given its requirements of steel and pig iron on priority basis. Protection was also extended to the engineering exporters from the price rise in steel effected in February, 1981 in respect of subsisting contracts and also to enable exporters to obtain their requirements of steel for their future contracts at international prices. Various other measures of assistance were also being extended to the exporters through the EEPC for market promotion, he added.

Mr. Mukherjee pointed out that over the last 25 years, India's engineering export recorded a big increase from Rs. 50 million to over Rs. 9,000 million. He also pointed out that from modest beginnings when India's exports were dominated by primary commodities, India's engineering exports now encompassed a wider range of sophisticated items of manufactures and capital goods.

cent in ingot steel and 30.7 percent in saleable steel over the output during the corresponding period last year.

Railway Freight Earnings Up

Railway earnings from freight traffic increased by more than Rs. 1,790 million in 1980-81. The Deputy Minister for Railways, Mr. Mallikarjun informed Lok Sabha recently that earnings from freight traffic increased from Rs. 14,404.7 million in 1979-80 to Rs. 16,195.1 million in 1980-81, in 1978-79, freight earnings were Rs. 13,054.1 million.

Notable Hike in India's Exports to Hong Kong

India's exports to Hong Kong rose to HK\$ 206.42 million during January-March 1981 from HK\$ 175.21 million in the corresponding period in 1980, thereby registering an increase of 18 percent. This is revealed in recent economic and commercial report issued by the High Commission of India, Hong Kong.

Contents

Export Performance and Potential

Big Rise in India's Engineering Exports	1
India's Participation in Ghent International Fair.	3
Exports of Basic Chemical Products Up.	3
Earnings from Tourism to Touch Rs. 6,000 Million	4
Prospects of NBCC Joint Ventures in Africa	5
Industrial Growth and Diversification	
Towards Higher Steel Production	5
Increased Fertiliser Production during 1981-82	6
Setting Up of Atomic Power Station in Gujarat	6
New Iron Ore Loading Record by Visakhapatnam Port	7
Improved Performance of Indian Airlines	7
Anti-Pollution Measures in Mines Planned	7
Science and Technology	
Indian Scientists Praised for Success of "APPLE"	8
Power for Agricultural Operations	9

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this Journal.

The Minister said that India had developed technologies which would be well suited to developing countries in various fields like sugar manufacture, cement manufacture, textile machinery, machine tools and the like. "Side by side with our production capability, we also now have a large reservoir of talent which could provide a wide range of consultancy services in different sophisticated fields. In fact, some of our consultancy organisations had already made their marks in the international markets. Thanks to the efforts made by enterprising entrepreneurs, India had also established its reputation in the execution of civil construction projects and industrial turnkey projects in various developing countries of Asia and Africa," he added.

The Commerce Minister, however, said although the engineering exports had been rising, they were yet to realise their full potential and get their proper share of the international market. He pointed out that apart from domestic constraints like, the pull of domestic demand, shortages of some raw materials and the like, we had to cope with increasing competition in the international market, economic recession which affected some markets from time to time and a rising trend of protectionism. He urged the exporters to identify themselves with this task of the highest priority and redouble their efforts in expanding the exports.

The Commerce Minister hoped that the EEPC would have a greater call on its services in the coming months and years. He urged the Council to continue to play its role to improve quality consciousness and adherence to contractual requirements, to bring

about greater contacts between exporters in India and importers abroad, to bridge the information gap wherever it existed, to monitor closely export performance in relation to targets, to identify problems in export growth and suggest solutions, etc.

Earlier, in his welcome address, Mr. G. D. Shah, Chairman, EEPC said, "export profile of India has undergone a profound change over the last few years. From an exporter of primarily agro-based products, India has become a large supplier of manufactured goods to overseas markets. Engineering goods have emerged as the most dynamic export sector among manufactured goods with an average growth rate of 25 percent during the last few years. From a level of Rs. 50 million in 1955-56, the country's engineering exports have crossed Rs. 9000 million and by the end of this decade we expect this sector to raise its export to Rs. 90,000 million".

Mr. Shah added, "the range and composition of India's engineering exports have also greatly changed over the last 25 years. In the mid-fifties, nearly 88 percent of exports consisted of light engineering and consumer goods and only 12 percent of exports were in the field of some capital goods. Now, nearly 38 percent of engineering exports consist of a wide range of capital goods and turnkey projects. Indian engineering firms are now competing successfully in global tenders to supply consultancy, know-how, technical and management services, plant and equipment, civil construction in diversified fields involving residential complexes, school buildings, office buildings, university complexes, hospitals, water supply and sewerage projects, road and dam construction

bridges and fly-overs, vocational training centres, fertilizer and refinery projects, airport terminals and runways, excavation and tunnelling. Indian firms are successfully participating in industrial development programmes of developing countries in Asia and Africa by setting up on a turnkey basis textile mills, sugar and cement plants etc. They are occupied with power generation and transmission projects in the friendly developing countries. They are also providing management services by running the railway systems in some of the African countries. Indian technicians and skilled manpower are a much sought for commodity throughout the globe and invisible foreign exchange earnings from them have been a great relief at a time when our import bill has risen to astronomical proportion primarily because of steep rise in petroleum prices."

India's Participation in Ghent International Fair

India is participating, for the first time, in the Ghent International Fair to be held from September, 12-27, 1981. The participation in the fair, which is the premier general fair in Belgium, is being organised by the Trade Fair Authority of India.

The main objective of India's participation is to further promote and expand the trade and economic relations with the Benelux countries. The participation has a special significance, as India has been accorded the 'Guest Country' status, an honour given to one country every year. India Pavilion would, thus, be a focus of attention in this 16-days important fair.

India's display will be organised in an aggregate area of 2,000 square metres, of which 1,500 square metres, provided in the mazzenine floor, will be utilised for a fascinating show of Indian folk art.

The general display will reflect a broad spectrum of various Indian industries such as textiles, readymade garments, light engineering goods, electronics, floor coverings, jute manufactures, leather goods, handicrafts, sports goods, canned foods, etc. As many as 83 trading/manufacturing organisations from India are taking part in the display.

An important feature of the exhibition would be an interesting folk art display in the mazzenine floor, which is being organised by All India Handicrafts Board. The Board will arrange live demonstrations by six master craftsmen, who are being sent there specially for the occasion.

Another interesting highlight would be unique cultural performances based on Ramayana and Panchatantra by the Gwalior Ballet Troupe. These cultural programme have been sponsored by the Indian Council of Cultural Relations.

Coinciding with the occasion, GB STORE, one of the leading departmental stores in Belgium, will organise promotion of Indian products through their sales net-work. This department promotion would cover a wide range of Indian goods such as furnishings, pillows, fabrics, cushions, bed covers, machine and hand-made carpets, copper and silver-wares, etc.

At present, the commodity structure of Indian exports to the Benelux

countries is extremely restricted. The major items of Indians exports to Belgium are; pearls; precious and semi-precious stones; leather and leather manufactures; apparels and clothing accessories; textile yarn; fabrics; made-up articles; crude animal and vegetable materials; coffee and coffee substitutes; tea; and spices.

As regards India's imports from that country, these include; machinery and transport equipment; pearls; precious stones; iron and steel; non-ferous metals; professional and scientific, photographic and controlling instruments and apparatus; textile fibres and their waste; crude rubber; rubber manufactures; wheat and mestein unmilled and dairy products. It is expected that India's participation in the Ghent International Fair will go a long way in diversifying Indian exports and further expanding her trade with the Benelux countries.

Exports of Basic Chemical Products Up

The estimated value of exports of basic chemicals, pharmaceuticals, cosmetics etc. rose steeply to Rs. 2350.81 million during the year 1980-1981 from export worth Rs. 1502.21 million during the corresponding period in the previous year, thus registering a hike of 56 percent, says a report of the Basic Chemicals, Pharmaceuticals and Cosmetics Export Promotion Council. The target of exports of the above items was originally envisaged as Rs. 2000 million during 1980-81 but was subsequently revised to Rs. 2150 million. However, the actual exports are likely to exceed the revised target.

Of the various products groups, the glycerine soap, detergents, cosmetics

and toiletries panel recorded the highest hike of 276 percent in exports during 1980-81. Their export earnings shot up to Rs. 648.92 million in 1980-81 from the level of 168.40 million in 1979-80. This was followed by basic inorganic and organic chemicals (including agro-chemicals), the exports of which went up to Rs. 260.65 million in 1980-81 from Rs. 157.93 million in the previous year, registering an increase of 65 percent. Exports of dyes, intermediates alcohol and coal tar chemicals increased to Rs. 282.64 million from Rs. 222.93 million during the above period recording a rise of 26 percent. Exports of drugs, pharmaceuticals and fine chemicals group also moved up to Rs. 761.75 million from Rs. 711.61 million recording a hike of 7 percent.

Crude drugs improved their exports performance significantly by registering a step-up of 106 percent from Rs. 128.44 million to Rs. 265.17 million. Essential oils also shared the over-all upswing by advancing from Rs. 50.92 million to Rs. 55.67 million, thereby reflecting an increase of 9 percent during the period under review. Exports of agarbattis and dhoop too contributed to uptrend by scaling up to Rs. 68.30 million compared to Rs. 58.64 million in the previous year.

Earnings from Tourism to Touch Rs.6,000 Million

Anticipating increase in the tourist revenue during the current year, the Government of India has estimated that the tourism earnings would be around Rs. 6,000 million for the year 1981 at current prices.

This anticipation is based on the increase of 7.2 percent in the interna-

tional tourist arrivals to India during the period January to July 1981.

The foreign exchange earnings from tourism are estimated on the basis of number of tourist arrivals and the per head expenditure of a tourist as determined through surveys.

This information was given recently by Mr. A.P. Sharma, Union Minister for Tourism and Civil Aviation, in the Rajya Sabha.

Earlier, speaking at a 'face-to-face' programme with the local Urdu Editors the other day at New Delhi, the Minister said that extensive promotional efforts by the Tourist Department offices abroad resulted in a 12 percent growth in tourist traffic from the Gulf and Middle East countries to India during 1980. In all 78,106 tourists visited India in 1980 from the Gulf.

Besides, Afghanistan and Iran sent another 31,500 tourists during the year. From Malaysia, which also has a large muslim population, came 26,405 tourists. Thus, out of 800,150 tourists that India received from all over the world during 1980 some 130,000 or 16 percent came from muslim countries.

Detailing the promotional efforts undertaken by the Department of Tourism, Mr. Sharma said that extensive publicity in all major tourist generating markets was taken up through the Department's offices located at strategic places. Promotion of tourism in the Gulf countries was taken care of by the offices of the Department at Kuwait and Tehran.

The most important tool for the promotional efforts in the Gulf countries,

according to Mr. Sharma, was the regular supply of tourist publicity literature produced in Arabic and Persian languages. Travel agents, tour operators, travel writers, TV and film units were also invited from the Gulf countries to promote India as a tourist destination.

The Minister also informed the Urdu Editors that free courses in Arabic language were conducted at Bombay airport in which officers from customs, immigration, security, health and International Airports Authority were given training. Consequently, at least one Arabic-knowing official is available on duty at Santa Cruz Airport.

Mr. Sharma further said that Air India at present operated twenty Boeing 747 flights and fifteen 707 flights to Gulf every week. These services were to Dubai, Muscat, Bahrain, Kuwait, Dhahran, Abu Dhabi, Doha, Sharjah Ras Al Khayma and Jeddah.

A number of educational tours have been arranged for the agents from the Gulf countries to India with the specific aim of familiarising them with places of tourist interest in the country. Agricultural and food festivals have already been arranged in Kuwait, Abu Dhabi, Sharjah and other places.

The Urdu Editors were informed that Air India operated Haj charters for the Haj pilgrims from India. During the last three years Air India had operated 98 Haj charters. In addition, twenty round trip extra sections and 58 one way extra sections to the middle east regions were operated during this period. For 1981, Air India has finalised operation of 13 Boeing 747 flights as Haj charters to

Jeddah and back to carry about 6,000 pilgrims between September and November. Provision has also been made to operate more Boeing 747 flights to meet additional demand.

Prospects of NBCC Joint Ventures in Africa

A delegation of experts from a number of African countries namely, Congo, Ghana, Ethiopia, Nigeria, Sudan, Tunisia, Guinea, Burundi, Madagascar, United Republics of Tanzania and Cameroon held discussions with Mr. S.C. Kapoor, Chairman-cum-Managing Director, National Buildings Construction Corporation Limited (NBCC) recently at New Delhi regarding the possibilities of participation of NBCC in construction activities by way of joint ventures etc. in their respective countries, says a recent issue of NBCC News Bulletin.

Mr. Kapoor told the visiting team that NBCC had developed considerable expertise even in the field of specialised construction such as tall RCC Chimneys, Pulp and Paper plants, Silos and Cement factories, Fertilizer plants, Mother Dairies, Airports, Flyovers and Bridges, Tube Railways, etc. It had also recently entered in the field of marine construction.

The delegates evinced keen interest in the working of the Corporation and were quite appreciative of the Indian technical know-how and expertise in construction industry. They particularly lauded the performance of the Corporation both in the home and overseas markets.

The leader of the delegation, Mr. Lemma Merid, from Ethiopia welcomed the NBCC's offer for exploring the possibilities of its participation in the African countries where adequate potential and prospects for construction jobs exist. Mr. Merid struck an optimistic note and assured of their unstinted support and cooperation in the event of NBCC participating in the developmental programmes of their countries.

Industrial Growth and Diversification

Towards Higher Steel Production

The Government plans to make an upward revision of the target of ingot steel, saleable steel and pig iron during the current financial Year (April 1981 to March 1982) in view of the better performance of coal and power. The production plan so far envisages 7.21 million tonnes of ingots, 5.73 million tonnes of saleable steel and 1.424 million tonnes of saleable pig iron. This information was recently given to the parliamentary Consultative Committee attached to the Union Ministry of Steel and Mines by the Minister for Commerce, Steel and Mines, Mr. Pranab Mukherjee.

Mr. Mukherjee said that during April-July 1981, Steel Plants under Steel Authority of India (SAIL) produced 2.69 million tonnes of ingot steel and 1.696 million tonnes of saleable steel thereby registering an increase of 18.6 percent in ingot steel and 307. percent in saleable steel over the output during the corresponding period last year.

The Minister informed the members that an Inter-Ministerial Expert Committee, set up to conduct further negotiations with foreign parties on technical and financial collaboration for the proposed steel plant at Paradeed has submitted its report. A cabinet note has since been prepared in the light of the report and the Cabinet's decision is being sought for further action in the matter.

About the modernisation plans of the steel plants, Mr. Mukherjee said that blast furnace No.4 has been commissioned at Bokaro and coke oven battery No. 5 has gone on production. Except the cold-rolled mill complex, the four million tonne stage of the plant is expected to be completed by September 1982. And the plate mill at Bhilai is likely to be commissioned during the current Year. He said that concrete pouring for the blast furnace at Vishakapatnam is likely to take place in October, 1981 and the first phase of the project is likely to be completed by 1985.

The Minister said that the Government has accepted the recommendation of the technical committee on re-rolling industry and banned further creation of re-rolling capacity except in some states where no mini steel or re-rolling plant exists. This is in view of the large capacity already existing in the country. He said the total installed capacity in this sector is 16.67 million tonnes while the utilised capacity is about 17 per cent only.

Mr. Mukherjee said that the steel produced with the sponge iron of Kothagudem plant was reportedly of better quality than that produced from ferrous scrap. He informed the mem-

bers that there was already another letter of intent granted to Bihar State Industrial Development Corporation for setting up a sponge iron plant of 120,000 tonnes capacity, based on the same technology.

The Minister further said that another licence of three lakh tonnes capacity plant, based on Allis Chalmers process, had been granted to Orissa sponge Iron Limited. Part of the capacity of 150,000 tonnes is nearing completion. The Orissa Government has also requested for permission to set up another plant of 90,000 tonnes capacity based on IISCO technology. Setting up plants, based on gaseous reduction upto four lakh tonnes capacity is also under consideration of the government.

Mr. Mukherjee said that the Government has approved the modernisation and technological updating plan of Alloy Steel Plant, Durgapur. It is expected to take 42 months in implementation at an estimated cost of Rs. 659.8 million. He said that a provision of Rs. 520 million has been made during the sixth plan period for setting up of a sintering plant and ancillaries at IISCO. The proposal in this regard is being processed.

The Minister said that National Aluminium company has kept to the project schedule in its various activities. The main consultancy contracts with Engineers India for comprehensive project services for the main plants and with Development Consultants Private Limited for the power plants have been signed recently. The process of selection of consultant for the port handling work is in an advanced stage and will be completed in the next fortnight. The Alumina Plant and

Aluminium Smelter are scheduled to be commissioned in September 1985 and February 1986 respectively.

The Mukherjee said that aluminium Production has considerably picked up. During the first quarter April-June the production was 52,322 tonnes representing a considerable improvement over the figure of 36,505 tonnes in the corresponding period last year.

The Minister said that the Geological Survey of India has acquired a ship from the Shipping Corporation of India for maritime exploration mainly in the continental shelf and exclusive economic zone. He said that the main exploration work at the Agucha ore deposit in Bhilwara district of Rajasthan has been completed jointly by Hindustan Zinc and the State Government's geological department. The reserves established are about 53 million tonnes.

Increased Fertiliser Production

The estimated production of fertilisers during the current year is 3.2 million tonnes of Nitrogen and 925,000 tonnes of Phosphates.

This was stated in Lok Sabha recently by Mr. P.C. Sethi, Union Minister for Petroleum, Chemicals and Fertilisers, in reply to a question.

In a written reply to another question, the Minister of State, Mr. Dalbir Singh, said that there are 33 fertiliser plants in the country producing a wide range of straight nitrogenous and phosphatic fertiliser including complexes of various grades. There are also 35 small units producing single phosphate.

The Minister of State said that there are 9 fertiliser projects which are under various stages of implementation. When all of these projects completed, the Fertiliser capacity will increase to 6 855 million tonnes of Nitrogen and 1 53 million tonnes of Phosphates.

Mr Dalbir Singh said that 3 nitrogenous fertiliser project-Ramagundam, Talcher and Phulpur, have been commissioned during 1980-81. During the remaining period of the Sixth Plan, 11 nitrogenous or phosphatic fertiliser projects-Haldia, Trombay V, Kanpur Expansion, Kandla Expansion, Bharuch, Taloja, Thal, Hazira, Paradip, Tuticorin Expansion and Goa Expansion-are expected to be commissioned.

In a written reply to another question, the Minister of State said that, in all, the Sixth Five Year Plan provides for setting up of 8 new nitrogenous fertiliser plants including 6 based on gas. It is proposed that 4 of these plants will be set up in the public sector, 2 in the cooperative sector and 2 in the private sector.

In a written reply to yet another question, Mr. Dalbir Singh said that the estimated consumption of fertilisers by 1984-85 is 6 million tonnes of Nitrogen and 2.338 million tonnes of Phosphates. Production in that year is estimated at 4.42 million tonnes of Nitrogen and 1.45 million tonnes of Phosphates. The gap between production and expected consumption is to be met through imports.

Setting up of Atomic Power Station in Gujrat

Preliminary work on sub-soil investigation, collection of bore-hole data,

analysis of availability of cooling water, preparation of site layout drawings and placement of purchase orders for raw materials and equipment has been initiated. This information was given in the Lok Sabha recently by Mr. C. P. N. Singh, Union Minister of State for Science and Technology, Electronics and Environment in response to a question.

The Minister also informed the House that as per the present schedule, civil work for the main plant building is expected to start in 1982 and units 1 and 2 are expected to be completed in 1990 and 1991 respectively.

The Atomic Power Station at Kakrapar, he said, will utilise indigenously available natural uranium as fuel.

New Iron Ore Loading Record by Visakhapatnam Port

An all-India record in iron ore loading was set by Visakhapatnam Port on 11th August, 1981. On this day the Port administration loaded 114,000 tonnes of ore in MV Pioneer Maru in a 24 hour period. The vessel completed loading in the afternoon with a total quantity of 124,500 tonnes in 29 hours which includes time for draft survey checks and trimmings.

Visakhapatnam Port has earned premier position in East Coast of ports India. It handled 11.75 million tonnes of cargo in 80-81 of which Iron Ore accounts for 5.66 million tonnes.

The Port has two harbours known as the Inner Harbour and the Outer Harbour. The Inner Harbour can take vessels of up to 36,000 tonnes-DWT whereas the Outer Harbour can accommodate vessels of a little over

100,000 DWT. It is the deepest harbour of the country backed up by a very sophisticated automatic loading system consisting of a 5 km. long conveyor, longest in Asia, and a mechanical ship loader with a rated capacity of 8,000 tonnes per hour. Further, an oil mooring facility for lightering of tankers of 100,000 DWT and more is provided in the Outer Harbour.

The Port is destined to play a very important role in the setting up of Rs. 25,000 million steel plant with an estimated capacity of 4 million tonnes per year. This will be the first port based steel plant in the country and Visakhapatnam Port is planning to handle the import of the entire machinery as also of the export of finished products of the Steel mill at a future date.

Improved Performance of Indian Airlines

Indian Airlines is now transporting over 17,000 passengers daily, an all-time record as the airlines enters its 29th year of nationalisation.

This is nearly 2,350 passengers more a day than the number carried during the same period last year. With this passenger traffic growth of 16 percent over last year, the airline is likely to cross the six million mark in 1981-82. This record was excelled in May 1981 when the airline carried on an average 18,000 passengers a day, the highest so far achieved since its nationalisation on August 1, 1953. The number of passengers carried daily in the first year of operation in 1953-54 was 1,181.

Indian Airlines is now one of the largest regional airlines of the world

with unduplicated route kilometres of 49,657. Over the years, airline's capacity was grown manifold. While the total capacity (Available Tonne Kilometres) was 664 million, the airline carried 58,320 tonnes of cargo showing a 14.5 percent growth over that of last year. The airline has flown 4,323 million revenue passenger kilometres in its 28th year of operation as against 384.507 million in 1956-57, one of the initial years of operation.

Anti-Pollution Measures in Mines Planned

The Government plans to take necessary legislative steps to adopt stringent anti-pollution measures on new mining projects and take corrective action to minimise pollution effect in existing mines. This was indicated recently by the Union Minister for Commerce, Steel and Mines, Mr. Pranab Mukherjee, while addressing the 21st meeting of the Mineral Advisory Council. He said anti-pollution measures need not necessarily be a drag on the economics of a mining project. But in this case the Government has to be guided by the overall benefits to society rather than the profit margin to an individual.

The Minister noted that unless due care was taken, mining operations left not only surface scars but also triggered off a process of disequilibrium in the land, water and air regimes in the mining locales. He said landslides, deforestation, noise and vibration and damage to sites of cultural, historical and tourist importance were some other ill effects which arose out of disregard for the environment. He advised the council to give a serious thought to this problem.

Mr. Mukherjee said that the development in the last ten years had shown that in the field of minerals the country had greater potential than was known earlier. He pointed out, "Compared to what we believed in 1970, what we know in 1981 indicates that our bauxite reserves are ten-fold, zinc and lead ore reserves fourfold and copper ore reserves two-fold." To strengthen survey and exploration of mineral bearing areas, he said the government had provided Rs. 750 million to the Geological Survey of India for the present plan period as against Rs. 400 million of outlay in the previous plan period.

The Minister said that although the progress made by the mineral industry over the last three decades had not been commensurate with the opportunities or the potentials that existed, there had been a great deal of progress in the last twenty years. The value of mineral production which was about Rs. 1000 million in 1960 had risen to more than Rs. 20,000 million by 1980. The production of coal which was 2.6 million tonnes in 1980 more than doubled to 1136 million tonnes in 1980. The production of iron ore increased nearly four times, from 10.7 million tonnes to 40.7 million tonnes, bauxite production quadrupled from 0.4 million tonnes to 1.7 million tonnes; solid copper ore from 0.5 million tonnes to two million tonnes. In the case of zinc concentrates, it was five times.

Mr. Mukherjee said that since minerals were non-renewal resources, mineral conservation had to become an integral part of planned utilisation of natural resources. In this connection, he said, mine owners had a

major responsibility to discharge. He condemned anti-conservation practices such as selective mining of richer grades, premature closure of mines, inadequate exploration of mineral deposits before commencing production, improper stacking of low grade ores and mineral rejects. All these required to be condemned by all serious minded people, he added.

Science and Technology

Indian Scientists Praised for Success of APPLE

The spectacular achievement of Indian scientists in the successful launching of the APPLE (Ariane Passenger Payload Experiment) satellite and inauguration of its utilisation programme was hailed recently in both the Houses of Parliament. The members unanimously adopted a motion tabled by Prime Minister, Mrs. Indira Gandhi to acclaim the achievement. The resolution said that the House placed on records its 'deep appreciation of the dedicated work and patriotic zeal of scientists, technicians, engineers and workers in this great achievement in the sphere of space technology.

Speaking in Lok Sabha, the Prime Minister noted that the most important aspect of APPLE would be its utility in faster communication in times of natural disasters and facilitating expeditious relief. "We are very proud of our scientists. This is an achievement of our scientists, engineers and other behind the scene workers", she said. Mrs. Gandhi informed the House that future Indian satellites would have multi-spectral cameras to provide information about

geology, forestry and similar other matters.

The Union Minister of State for Science and Technology, Electronics and Environment, Mr. C.P.N. Singh, who also made a statement in the House, said that the entire nation was proud of the achievements of the India's scientists, technologists and engineers who had made the APPLE experiment successful and had placed India in the select group of countries which had developed operational capability over such satellites.

Giving details of the Indian spacecraft, the Minister said that APPLE represents an important step in the efforts of Indian scientists to put outer space progressively to use for the welfare of the Indian people. APPLE is the first Indian experimental 3-axis body-stabilised satellite to be placed into the geo-stationary orbit.

The spacecraft was designed and developed by the Indian Space Research Organisation. It was launched by the third developmental flight of ARIANE, of the heavy launcher of the European Space Agency, from Kourou, French Guyana, on June 19, 1981, into a geosynchronous transfer orbit, free of cost. The next important step was to place the spacecraft in a near synchronous orbit by firing the apogee boost motor (ABM) at the most appropriate time. This was successfully done in the morning of June 22, 1981, from the Mission Control Centre at Shriharikota. Thereafter, a series of crucial manoeuvres such as reducing the spin rate of the satellite, deploying of solar panels, facing the sun and the earth in proper direction by using the sensors, activating the momentum wheel etc., had to be carried out carefully. All these manoeuvres, except

the deployment of one of the two solar panels, were successful. Subsequently, a series of skilful and controlled firing of the Hydrazine thrusters brought APPLE to its static in the geostationary orbit, viz 102 degree east Longitude on July 16, 1981. APPLE now looks constantly towards the centre of India and is ready for utilization. In spite of the failure of one of the two solar panels to deploy, the satellite has adequate power for its operations. The first national TV hook-up demonstrations using APPLE have already been carried out on August 13, 14 and 15, 1981.

APPLE carries a communication C-Band Transponder developed and built by the Indian Space Research Organisation. This is to be used for experiments in television distribution, radio not-working, digital communications, remote area and emergency communications, computer interconnect etc. The static earth stations in Delhi, Ahmedabad and Madras as well as transportable terminals, emergency communications terminals, small communications terminals and specialised terminals for computer interconnect will be used for these experiments. All these terminals have been developed indigenously. These experiments will be based on the joint efforts of scientists in the Indian Space Research Organisation, Post and Telegraph Department, Doordarshan and the AIR.

With APPLE occupying its assigned parking place, India has demonstrated its capability to design and build a contemporary three axis stabilised spacecraft, inject it into the geosynchronous orbit and use it for telecommunications and mass communications. This is an important

stepping stone towards indigenous realisation of future operational communications as well as other body-stabilised spacecraft missions.

Power for Agricultural Operations

Agriculture plays a crucial role in the Indian economy contributing nearly half of the national income. With a large population base, Indian agriculture is logically oriented to preponderance of food production with non-food crops given a secondary importance.

The successive Five Year Plans continued to give importance to increasing agricultural production through a multi-pronged strategy.

One of the main components of the strategy for stabilisation of agriculture has been resort to agricultural pumping through extensive use of electricity. As a consequence the share of the area under tubewell irrigation in the net cultivated area in the country has recorded a substantial increase.

With a growth in the exploitation of ground water the demand for energy, specifically in the form of electricity the agricultural sector, has grown sharply. Today, agriculture has become sensitive to electricity supply. The importance of ground water exploitation for stabilization of agriculture was recognised in the mid sixties following successive droughts. Since then the ground water potential of the country is being exploited through the use of both electrically-operated and diesel-operated pump sets. There is a preference towards electrically-operated pumpsets because of the convenience and the

economies in their operation. The rural electrification programmes have also been oriented primarily towards energisation of agricultural pumpsets and this has contributed to the proliferation of electrically-operated pumpsets in the country.

In 1965-66 the electrically-operated pumpsets in the country totalled 513,000 million. Their number as on March, 1981 was 4.33.

The growth in physical terms has been phenomenal in the Northern and Western Regions. States which have contributed to the spurt in agricultural pumping are Haryana, Punjab, Uttar Pradesh and Rajasthan in the Northern Region, Madhya Pradesh and Maharashtra in the Western Region.

The use of electricity in agriculture has registered phenomenal growth since the mid-sixties when the programme of energisation of pumpsets was given priority and thrust. In 1965-65, the consumption of electricity in the agricultural sector was 1892 million K. Wh. and its share in the overall consumption was 7.1%. In 1979-80, the agricultural consumption had increased to 13,189 million Kwh and its share in the overall electricity consumption was 16.9 percent. The growth rate in the Northern region has been substantially faster than that in the other regions. It is of interest to observe that in Punjab agriculture accounts for about 46 percent of the overall electricity consumption.

It would be observed that the specific consumptions per pumpset and per

KW of connected load in the Northern Region are substantially higher than those in the other regions. It would be apparent that while the role of electricity in agriculture has steadily increased in the entire country in the Northern Region its use has become dominant making agriculture extremely sensitive to power availability.

The extension of electricity for agricultural pumping has been given high priority in the Sixth Five Year Plan. The ultimate irrigation potential based on ground water considered feasible for exploitation is estimated at 40 million hectares in the country as a whole.

The States which have large untapped resources are Uttar Pradesh, West Bengal, Bihar, Orissa and Madhya Pradesh. The Sixth Plan programme envisages special attention to pumpset energisation in these States. With the ground water potential available in the country it is estimated that there is scope for installation of 12 million pumpsets spread over in different parts of the country. Keeping in view that 4 million pumpsets had already been energised at the beginning of the plan, the Sixth Plan envisages energisation of 2.5 million pumpsets during the plan period.

It would be observed that the agricultural consumption in the Northern Region would continue to be an important component taking a share of as much as 26.41 percent. Its share in the availability of energy anticipated in 1984-85 based on programme of commissioning of projects in the Sixth Plan is expected to be some

what higher. Thus, the role of electricity in the agricultural sector will continue to grow and electricity will become the most important input in increasing and assisting the agricultural production.

The pattern of investments in rural electrification programmes during the fifties was directed more towards village electrification which was a social amenity to people in rural areas. The emphasis was shifted to energisation of pumpsets after the mid sixties with the aim of increasing agricultural production. Pumpset energisation programmes were implemented at an accelerated pace from 1966-67 and during the initial five years (1966-67 to 1970-71) period of this accelerated tempo, an expenditure of Rs. 45,00 million was incurred on village electrification and pumpset energisation programmes. This investment was far more than the total investment on rural electrification in the first three Five Year Plans put together. During the Fifth Plan period, the rural electrification programmes were supplemented by the minimum needs programme and investments increased substantially.

In the First Three Plans, the primary burden of funding the village electrification and pumpset energisation programmes rested with the State Electricity Boards. Some central assistance was made available to States for approved rural electrification schemes included in the Plans. In the light of uneven progress of the rural electrification and varying competence of the Boards in progressing the rural electrification schemes, it was felt necessary to establish an agency to guide and assist the

State Electricity Boards in rationalising and accelerating the rural electrification programmes. It was in this context that the Rural Electrification Corporation (REC) was set up in 1969.

The Rural Electrification Corporation plays a major role in stimulating and sustaining the rural electrification programmes through continuous inflow of central funds to states. This process has led to substantial increase in the share of central funds in promoting Rural electrification scheme. The Corporation also helped the State Electricity Boards in bringing about integrated development of rural areas under rural electrification programmes. From the time of inception upto 30th June, 1981, Rural Electrification Corporation had sanctioned 4,575 rural electrification schemes involving a total financial assistance of about Rs. 15,030 million to enable electrification of as many as 202,000 additional villages and energising 1,672,000 additional pumpsets, besides providing power to small industries in rural areas.

The Rural electrification programmes are also financed by other agencies such as Agricultural Refinance Development Corporation (ARDC), Commercial banks, State land development banks and Agriculture Finance Corporation.

In the Sixth Five Year Plan a sum of Rs. 15,760 million expected to be invested in rural electrification programmes. This amount excludes outlays included in the assistance of Rs. 2,850 million for Special Project Agricultural (REC Share), Rural Cooperatives, system improvement schemes and Harijan Basties.

Programme of Forthcoming Participations in Trade Fairs/Exhibitions Abroad

1	Ghent International Fair, Ghent (Belgium)	September 12-27, 1981
2.	Budapest International Autumn Fair, (Consumer Goods), Budapest (Hungary)	September 18-27, 1981
3.	Tehran International Fair, Tehran (Iran)	Date to be Fixed
4.	Baghdad International Fair, Baghdad (Iraq)	October 1-15, 1981
5.	Indian Exhibition, Sydney (Australia)	October 6-9, 1981
6.	Bucharest International Fair, Bucharest, (Romania)	October 15-23, 1981
7.	Pret-A-Porter Feminin (International) Exhibition for Ladies Ready-to-Wear Clothing, Paris, (France)	October 17-21, 1981
8.	Santiago International Trade Fair-FISA'81, Santiago (Chile)	October 29—November 15, 1981
9.	Indian Exhibition, Nairobi, (Kenya)	January—February, 1982
10.	Indian Exhibition, Bahrain	February, 1982
11.	Cairo International Fair, Cairo (Arab Republic of Egypt)	March, 1982
12.	Indian Exhibition, Algiers, (Algeria)	May, 1982
13.	Indian Exhibition, Kuala Lumpur (Malaysia)	November, 1982
14.	Indian Exhibition, London (UK)	November, 1982
15.	Indian Exhibition, Mexico	May, 1983
16.	Hannover International Fair, (FRG)	April, 1984

Further information can be obtained from the Manager (Exhibitions), Trade Fair
Authority of India, Pragati Maidan, New Delhi-110001.

FACILITIES FOR INTERNATIONAL EXHIBITORS AT INDIA INTERNATIONAL TRADE FAIR, 1981

Trade Fair Authority of India (TFAI) will organise India International Trade Fair 1981 (IITF '81) from November 14 to December 4, 1981 at Pragati Maidan, New Delhi. The main objective of the Fair is to promote international trade and encourage new investments in India as well as in third countries. The Fair will project India's allround progress in the fields of industry, agriculture, trade, science and technology. As many as 50 foreign Governments at the national level and more than 3,000 companies from India and abroad are expected to participate in the Fair.

With a view to making foreign participation meaningful, a number of facilities are being provided to the international exhibitors for expeditious disposal of the exhibits displayed by them. These are listed below :—

- (1) Government of India have issued instructions to all Ministries and public sector undertakings that as far as possible, in regard to their import requirements, they should make their purchases from the goods that are displayed by international exhibitors at the Fair.
- (2) The capital goods requirements have been compiled in the form of booklet which is available with TFAI for reference of those foreign governments and firms who wish to participate in the Fair. This will facilitate the concerned Departments to make their selections and order for their purchases from the exhibit that are displayed at the Fair.
- (3) For expeditious disposal of exhibits that are displayed at the International Fair, Government of India have streamlined customs and licensing procedure as under :—
 - (a) Fair Quota to the maximum of Rs. 5 million in foreign exchange per exhibitor has been earmarked for disposal of the exhibits displayed at the Fair.
 - (b) In respect of capital goods upto a value of Rs. 1 million per item, Chief Controller of Imports and Exports (CCI and E) has simplified the licensing procedure to ensure that such licence are issued on the spot.
 - (c) In respect of items of the value of over Rs. 1 million, special meetings of the Capital Goods Committee (CGC) will be convened to ensure that these applications for import licences are disposed of expeditiously.
 - (d) Items falling under Open General Licence (OGL), and Indian importers holding licence for the items of their purchase, will be allowed direct purchases and clearance by the Customs located at Pragati Maidan.
 - (e) Customs and Chief Controller of Imports and Exports offices will be located at Pragati Maidan to facilitate expeditious clearance of goods.
 - (f) As an incentive for developing countries to participate in the Fair, following items of consumer goods which are otherwise banned for import into India, have been permitted for disposal by the developing countries participating in the Fair : handicrafts, garments, jute goods, toys other than electronics, cosmetics, house-hold goods other than electrical and electronics, ladies fashion wear, leather goods, glass-ware, dry fruits, and honey.
 - (g) International exhibitors have been allowed duty-free import of publicity and advertising materials for free distribution during the Fair.
 - h) To make participation more attractive, several other relaxations in regard to customs and licensing regulations have been agreed to by the Government.

The licence fee will be Rs. 100 per square metre for open area and Rs. 400 per square metre for covered area. Foreign participants will, of course, be required to pay the fee in foreign exchange. Further details may be obtained from the Trade Fair Authority of India, Pragati Maidan, New Delhi-110 001.

economic and commercial news

News Highlights

Engineering Exports to Touch Rs 90 Billion by 1990

The Engineering Exports Promotion Council (EEPC) envisages a target of Rs. 90 billion for export of engineering goods by the end of this decade. From a level of Rs. 50 million in 1955-56, India's engineering exports have crossed Rs. 9,000 million in 1980-81. According to EEPC, the export profile of India has undergone a profound change over the last few years. From an exporter of primarily agro-based products, the country has become a large supplier of manufactured goods to overseas markets. Engineering goods have emerged as the most dynamic export sector among manufactured goods with an average growth rate of 25 percent during the last few years.

Export Duty on Coffee Reimposed

Having regard to the recent increase in international prices of coffee, the Central Government have decided to reimpose export duty on coffee with effect from August 21, 1981 at the rate of Rs. 75 per quintal.

Export Performance and Potential

Increasing Popularity of Indian Joint Ventures Abroad

India's efforts in encouraging and promoting joint enterprises across the national frontiers are very recent and fit into overall strategy of inter-regional and intra-regional co-operation among the developing countries designed to quicken the pace of economic development—a goal which is being assiduously pursued by UNCTAD, ESCAP and similar UN organisations. As a result of the fairly high level of industrial development achieved during the course of the last 30 years or so, India's experience and expertise, especially in the intermediate technology ranges, are considered particularly relevant and appropriate to the industrialisation programmes of many other developing countries. From the national point of view, the concept of joint ventures being one of the facets of international business, has been accepted as one of the export promotion strategies.

As substantial transfer of capital from India has been found to be neither feasible nor desirable at this stage of the country's economic development, the scheme of permitting joint ventures has been linked with the promotion of exports of capital equipment and technology. The guidelines governing the setting up of joint ventures, which are currently in force have the following main features :

- (i) Indian participation abroad should ordinarily be through a corporate entity in India having at its command, necessary

More Items Reserved For Small Sector

Government of India have decided to reserve nine more items for small scale sector. These are HDPE woven sacks (except sacks manufactured on circular looms); P.P. woven sacks (except sacks manufactured on circular looms); coke briquettes (except lignite and for intergrated plants); coal briquettes (except lignite and for integrated plants); M.S. storage tank upto 1500 litres storage capacity (except storing of chemicals and other similar items), other than cryogenic tank and vessels; hand threading tap holders; 12mm. drilling machine upto 1500 rpm bench and pedestal type; screw presses (manually operated); and hand presses (manually operated).

manufacturing experience and technical competence;

- ii) Participation by Indian companies should be in accordance with the rules and regulations of the host country; and
- iii) Mode of participation in the equity share capital should normally be through export of capital equipment and technology but cash remittance will be permitted for the deserving cases depending on the merits of each case.

At the beginning of January, 1981 there was 207 effective joint ventures- 115 in production/operation and 92 under various stages of implementation.

As regard pattern of investment, Indian investment by way of equity share capital in the 115 joint ventures which are currently reported to be in operation, has been effected mainly through exports of capital equipment and technology and to a lesser extent through cash remittance. The table below shows the pattern of investment for joint venture units both in operation and under implementation.

(Rs. million)

Contents

Export Performance and Potential	
Increasing Popularity of Indian	
Joint Ventures Abroad	1
Sharp Hike in India's Exports to	
Thailand	3
Indo-Philippines Trade Trends	4
India's Technical Assistance	
to Zanzibar	4
Stepping Up Leather Products Exports	5
Industrial Growth and Diversification	
Big Break-through in Coal Production	5
Ensuring Quality Control in	6
Automobile Industry	
Manufacture of 22 Carat Jewellery	7
to Continue	
Upswing in Steel Production	7
Science and Technology	
Sophisticated Radars Developed	8
Industrial Solar Hot Water Unit	8
Promoting Maritime Space Satellite	
Technology	8
Objectives of Public Sector Enterprises	8

Mode of Participation	In Operation		Under Implemen- tation	
	Indian equity (actual)	Percent to total	Indian equity (Approved)	Percent to total
1. Export of capital equipment	209.4	59.0	443.6	75.0
2. Capitalisation of know-how etc.	29.6	8.3	67.4	11.4
3. Cash remittance	34.5	9.7	26.8	4.5
4. Bonus shares issued	72.6	20.5	—	—
5. Others (loans, adjustment of future profits, preliminary expenses capitalised etc.	8.8	2.5	54.0	9.1
Total	354.9	100.0	591.8	100.0

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this Journal.

As regards extent of Indian participation, it may be said that earlier, minority participation by the Indian promoters was specifically stipulated but the present guidelines are flexible enough to accommodate majority participation if it is permitted by the host countries where the ventures are to be located. From an analysis of the joint venture units established abroad, it has been observed that in a vast majority about (about 85 percent) of them, Indian partners held only minority of the shares.

Another significant feature of Indian joint ventures that has had a vital bearing on their performance and operating results, is the small size and scale of operations of the majority of units now in operation. The average size of an Indian joint venture in terms of equity capital employed, works out to about Rs. 10.5 million but about 55 percent of the units had an equity base of only Rs. 3 million or less. In the case of joint ventures under implementation, the trend towards the establishment of sub-optimal size units is on the wane. Thus the average size of the units under implementation, in terms of equity share capital, is about Rs. 23 million which is more than double that of the unit already in production. It is noteworthy that a number of competent Indian companies have recently started embarking upon well planned projects which not only have the potential to yield better returns in terms of foreign exchange in the years to come but are also likely to project a better image of India with regard to her technological capability and competence.

Region-wise, the largest number of Indian joint ventures have been set up

in the neighbouring countries of South East Asia and South Asia (61) followed by Africa (23) and West Asia (17). The summarised statement

given below depicts the regionwise distribution of effective joint ventures along with the Indian investment in their share capital.

Region	(Rs. Million)					
	In Operation			Under Implementation		
	No. of Units	Actual Indian equity	Percent to total	No. of Units	Approved Indian equity	Percent to total
South-East Asia						
Asia	57	219.0	61.7	29	248.2	41.9
South Asia	4	2.4	0.7	15	95.0	16.1
West Asia	17	7.7	2.2	13	44.9	7.6
Africa	23	120.0	33.8	18	144.7	24.4
Europe, America and Australia	14	5.8	1.6	17	59.0	10.0
Total	115	354.9	100.0	92	519.8	100.0

The heavy concentration of investment in South-East Asian countries has undergone a relative decline in respect of units which are being implemented resulting in a corresponding shift in the share of investment mainly in favour of South Asia and the advanced countries.

The field of collaboration has been quite vast. Among the joint ventures that have become operational, the maximum number are in the field of light engineering followed by textiles, the traditional fields in which Indian entrepreneurs have acquired a certain degree of capability that can compete in international markets. Other fields in which joint ventures have been set up include chemicals and pharmaceuticals, fractionation of palm oil, trading and marketing, restaurants, consultancy and paper. In terms of investment in share capital, textiles

held the predominant position with about 29 percent of total Indian equity, followed by oil seeds crushing and fractionation (19.5 percent), light engineering (17.9 percent), paper (14.6 percent) and chemicals (4.6 percent).

Sharp Hike in India's Exports to Thailand

India's exports to Thailand during January-March, 1981 rose to Rs. 166.1 million from 72.4 million in the corresponding period of 1980, registering an increase of 129.3 percent. This is revealed in a recent commercial report issued by Embassy of India, Bangkok. The report says that these statistics are based on the trade figures obtained from the Department of Business Economics of Thailand.

India's imports from Thailand, how-

ever, recorded a comparatively modest increase of 38 percent during January-March 1981 as total imports from that country amounted to Rs. 71.3 million during the above period as against Rs. 51.6 million in the corresponding period last year.

The total trade between the two countries rose to Rs. 137.4 million during the period under review in 1981 from Rs. 124 million in the corresponding period last year, recording an increase of Rs. 13.4 million. Thus, the balance of trade was in India's favour to the extent of Rs. 94.8 million in 1981 compared to Rs. 20.8 million in the comparable period last year.

The major items of India's exports consisted of groundnut and soyabean cakes, raw cotton and cotton fabrics, rough precious and semi-precious stones, iron and steel structurals, wire ropes, hand tools, diesel and other oil engines and parts thereof, machinery for manufacturing cellulosic pulp, tanning substances and bicycles.

On the other hand, India's imports from Thailand were mainly made up of Mung and Black Matpe beans, lead ore, tungstion ores, carbon black, rubber smoked sheets and polyester and nylon fibres.

Indo-Philippines Trade Trends

The two-way trade between India and Philippines during the period, January-April 1981, was valued at approximately \$ 10 million, which is a slight increase over the trade between the two countries for the corresponding period in 1980 amounting to \$ 9.8 million, says a commercial report issued by the Embassy of India, Manila.

India's exports to Philippines for the period January-April 1981 amounted to \$ 2.9 million. On the other hand, imports from Philippines for the same period amounted to \$ 7.07 million.

India's exports consisted mainly of manufacturers of metals, animal feedstuffs, inorganic chemicals, general industrial machineries, medicinal and pharmaceutical products, professional, scientific and controlling instruments and apparatus etc. Imports from Philippines mainly comprise metaliferous ores, cement construction materials, vegetable oils and textile fibres and wastes.

According to the report, President Ferdinand E. Marcos signed the instrument of ratification of the Trade Agreement between the Philippines and India on July 17, 1981. The ratification is expected to further enhance the existing trade relations between the two countries.

As part of their trade extension programme, Philippines will set up a Trade Centre in New Delhi. A representative of Veterans International visited Manila in this connection to finalise the setting up of the Centre.

A four-member team from the Technology Resource Centre (TRC), a corporate body under the Ministry of Human Settlements, visited India during July 12-16, 1981. The delegation was led by Mr. Roger Collantes, Director of TRC. Besides the Engineering Export Promotion Council and the India Investment Centre, the delegation held discussions with a number of parties in the private sector involved in rice bran oils and other related projects of interest to the visiting delegation.

India's Technical Assistance to Zanzibar

Zanzibar sought India's assistance in setting up training institutes in Zanzibar when Zanzibar Minister of Industry, H.E. Mr. Barake, called on Mr. Narayan Datt Tiwari, Union Minister for Industry and Labour at New Delhi recently, Mr. Barake also referred to the substantial needs of Zanzibar for training facilities in India to their personnel. Mr. Tiwari assured India's maximum assistance in their behalf which, he said, could be considered after scrutinising the details in in each sector.

Mr. Barake was accompanied by officials of the Zanzibar Government and the acting High Commissioner for Tanzania. On the Indian side, Dr. Charanjit Chanana Union Minister of State for Industry, and the senior officials of the Industry Ministry joined the discussions.

The Zanzibar Minister expressed his gratitude for the aid received from India-both on Government to Government basis and the Industrial Development Bank of India (IDBI) credit. He also expressed satisfaction over the assistance already provided by India and her organisations particularly National Industrial Development Corporation (NIDC), in the industrial growth of Tanzania in general and Zanzibar in particular. Special reference was made to the industrial estates being set up in that country. The Zanzibar Minister sought Indian assistance in the supply of certain critical raw materials. Mr. Tiwari agreed to examine these needs.

During the meeting reference was also made to the possibility of identifying some more small scale industries based

on locally available raw materials like activated carbon and glass sheets etc. The Zanzibar Minister sought India's assistance in getting the techno-economic surveys conducted to establish the feasibility of such projects. Mr. Tiwari agreed to consider this request.

Stepping Up Leather Products Exports

In spite of unprecedented international recession in the leather goods market and the overall short fall of 22 percent in India's leather exports during 1980-81, the exports of leather products, industrial leather manufactures and footwear components have actually increased.

This was said by Union Commerce Minister, Mr. Pranab Mukherjee, while inaugurating the silver jubilee celebrations organised by the Leather Export Promotion Council at New Delhi, recently. The Minister listed the series of measures which the Government had taken recently to enable the leather industry to survive the present crisis.

Mr. Mukherjee said that the export duty on semi-finished leather was scaled down from 25 percent to 10 percent and import of wet blue leather was allowed on duty free basis. Even the quota cuts of semi-finished leather were not so steep for the year 1981-82 in the past. In order to encourage exports of value-added item the reshipment credit facility at concessional rates of interest was extended to 180 days for leather manufactures. The floor price structure for footwear was also revised in a realistic manner to enable sufficient flexibility to the exporters of footwear, he added.

The Commerce Minister said that in order to encourage the organised sector to take up export production of footwear, the export obligation had been scaled down to 70 percent of their production. He expressed the hope that all these steps had, to some extent, helped the industry to survive the difficult period.

Mr. Mukherjee said that the basic objective of India's leather export policy was to convert raw hides and skins into finished leather and skins as semi-processed hides and skins into finished leather and leather products within the country taking advantage of our newly acquired capabilities so as to generate more employment and also secure higher foreign exchange realisation "Naturally one could not expect such transformation to take place overnight but our policies had to keep this goal before us always and create conditions by which this transformation could take place to the betterment of every one", he remarked.

The Commerce Minister said that in order to achieve our objective, of available raw material into finished leather and leather products and earn larger foreign exchange through exports, it was necessary that modernisation was effected right from the stage of flaying and collection of hides and skins to the stage of manufacturing of the end products" In spite of very large cattle resources, the availability of hides and skins has still low due to inefficient methods of carcass utilisation. He urged the leather industry to address itself to this task immediately and organise collection and utilisation of hides and skins in a scientific manner.

Mr. Mukherjee also pointed out that, many of tanneries in the country were using out-moded technology and equipment resulting in poor finishing and lot of Wastage. Such problems come in the way of India emerging as major exporter of quality leather products in the world in spite of a large resource and skilled craftsmanship. He urged the leather industry to address themselves to these basic problems and try to find solutions which would be in the interests of the industry as a whole, within the overall national policies. He also assured the industry that the Government would be willing to provide all assistance in this endeavour.

Industrial Growth and Diversification

Big Break-through in Coal Production

As a result of concerted efforts made by the Government, the coal industry has continued to maintain a high rate of growth. After exceeding the production target for 1980-81, the coal sector has crossed the planned target rate during the first four months of 1981-82 also.

The coal production in the country had remained virtually stagnant between 1975-76 when it was 99. million tonnes and 1979-'0 in which year it was nearly 104 million tonnes. Recognising that coal had to play an increasingly important role in meeting the energy needs of the country particularly in the context of the global shortage of fuel oil, the Government, formulated an ambitious programme for production of 113.5

million tonnes in 1980-81. Simultaneously, the bottlenecks which had come in the way of stepping up coal production in the preceding years were identified and concerted efforts were made to overcome these problems.

As a result of these efforts the coal industry achieved a dramatic breakthrough in production in 1980-81 when the coal output touched an all-time high of 114 million tonnes, thus, exceeding the target by half a million tonnes. The growth last year had been 9.6 percent. The performance of Coal India Limited (CIL), a major public undertaking in the field of nationalised coal industry, has been even more remarkable inasmuch as the coal companies under the CIL exceeded the actual target by nearly two million tonnes and achieved a growth rate of 10.4 percent over the previous year.

The coal producing industry, during April-July 1981 has substantially exceeded the planned target rate of 5.2 percent for the entire year. During these four months, 36.73 million tonnes of coal was produced as against 34.12 million tonnes produced during the corresponding period last year marking an increase of 7.6 percent. Thus, during these four months 2.61 million tonnes of additional coal was produced over the corresponding period last year.

With the increased trend of coal output, the coal industry is confident of achieving its target of 121 million tonnes for 1981-82 as a whole. Efforts are being made to exceed the target.

The Coal Department has made assessment of the necessary inputs required for the coal industry during the year

and steps have been taken to provide these. The important inputs include equipment and machinery for the coal mining projects, steel and cement required for the construction work at these projects and assured availability of power for the mines. Arrangements have been tied up for assured supply of these inputs for 1981-82.

It is proposed to invest nearly Rs. 30,000 million in the mining industry during the Sixth Plan period to attain the production which is targetted to reach 165 million tonnes in the terminal year of the Plan.

The benefits of increased coal output have been passed on to the consuming sectors with consequential impact in terms of improved performance of these sectors. For instance, the level of thermal generation has gone up; the improved production of coking coal has been a major contributory factor in the improved performance of the steel industry.

There has been a significant increase in the supply of coking coal to the steel plants. In April-July 1981, the supply of coking coal to the steel plants is estimated at 3.65 million tonnes as against 3.38 million tonnes in the same period last year recording a growth rate of 7 percent. The washeries of CIL have also been functioning at a higher level of efficiency and as a result the washed coal production in April-July 1981 has been about 14 percent higher than the corresponding period of the previous year.

As a result of the efforts put in by the Energy Ministry, there has been a substantial improvement in the supply of coal to the various consuming sectors

in April-July 1981 period. CIL supplied about 11 percent more coal to its consumers as compared to the last year. This increase was reflected in despatches to all the major consuming sectors. The power stations received 19 percent more coal during the period April-July 1981 over the corresponding period last year. Similarly, the supply of coal to the cement plants from CIL increased by about 51 percent and to the fertiliser plants by about 150 percent.

The steel plants have received about 7 percent more coal and as a result, have been able to build up stocks at the steel plants to a level of about 500,000 tonnes at the end of July 1981. It is proposed to build up stocks further to a level of 750,000 lakh tonnes in the next couple of months.

The coal companies are also making determined efforts to reclaim coal from the stocks to improve the despatches. As a result the companies have been able to liquidate nearly 1.8 million tonnes of coal stocks in April-July 1981. The present stocks of coal at the pitheads are estimated at about 16 million tonnes. The coal companies are taking further steps to reclaim coal from the pitheads and transport to the sidings for loading into the wagons for despatch to the various consumers.

Ensuring Quality Control in Automobile Industry

The Union Minister for Industry and Labour, Mr. Narayan Datt Tiwari has said that the automobile industry should maintain quality control and

apply itself urgently to the task of providing the requisite inputs, creating an enduring infrastructural support for the continued growth of the industry, generating ancillary development, ensuring continuous upgrading of technology and maintaining consistently high level of production. He emphasised that Government will spare no effort in helping them to achieve these objectives. Mr. Tiwari was addressing a meeting of the Chief Executives of the automobile manufacturing companies at New Delhi, recently.

Mr. Tiwari further said that Government have already taken steps for the creation of additional capacities in the ancillary sector, but the principal manufacturers can contribute a great deal through the identification of the potential sources of supply of components and by assisting in the transfer of technology to upgrade the ancillary industry to develop new products. Heavy reliance on inhouse manufacture has been a characteristic of some units of the industry so far. The situation is rapidly changing, as indeed it should, and calls for much greater inter-dependence between the ancillary industry and the main manufacturer. Mechanisms have to be evolved by the industry to ensure that both the sectors move in step.

The Minister asked the automobile manufacturers to optimise production and initiate and intensify their R and D activities. He also called upon them to update their technologies.

Earlier, the Minister congratulated the industry on its splendid performance in the last year particularly in the sphere of commercial vehicles. The

production has been raised from about 57,000 in 1979-80 to about 72,000 in 1980-81 and are poised for a much higher achievement of over 100,000 vehicles in the current year. This growth rate has indeed been a record.

Manufacture of 22 Carat Jewellery to Continue

A Committee under the Chairmanship of Dr. I. G. Patel, Governor, Reserve Bank of India, was appointed by the Government of India in November, 1978 to review the Government's gold policy in all its aspects and to make suitable recommendations to the Government. The report of this Committee was submitted to the Government in October, 1979.

The Gold Policy Review Committee had, inter-alia, supported in principle the re-introduction of 18 or 14 carat gold jewellery by stages. They had also observed that any legislation prohibiting the manufacturers of 22 carat jewellery must be preceded by consultations with representatives of goldsmiths and independent artisans to ensure that their legitimate interests are adequately safeguarded and that they must be provided with all possible facilities to ensure that their employment and livelihood are not jeopardized.

After careful consideration and keeping in view the various economic, social and administrative implications of such a measure, as also the representations received from a large number of trade associations, the Government has decided not to accept this recommendation. Thus, there will be no change in the present policy relating to 22 carat jewellery.

Upswing in Steel Production

Integrated steel plants under Steel Authority of India Limited continued to maintain the high tempo of production during June also, with production of 443,000 tonnes of saleable steel as against 400,000 and 413,000 tonnes in April and May respectively. This production registered a growth of 34.8 percent over the same period last year. Ingot steel production from SAIL plants was 488,000 tonnes as against 417,300 tonnes produced in June 1980.

Bokaro Steel Plant established new records in production. The ingot production was 415,000 tonnes and saleable steel production was 338,000 tonnes during the first quarter of the current financial year.

Durgapur Steel Plant produced 194,000 tonnes of saleable steel and 240,000 tonnes of steel ingots during the first quarter (April-June) showing an improvement of 79.6 percent and 40.4 percent over the production in the same quarter last year.

Rourkela Steel Plant also registered a growth of 29.1 percent over the production during the first quarter of last year by producing 231,000 tonnes of saleable steel.

IISCO produced 151,000 tonnes of ingot steel and 125,000 tonnes of saleable steel which are quite high figures for the quarter after 1977-78 and 1976-77 respectively.

Alloys Steel Plant has also done well with an improvement in production of 21 percent in saleable steel and 18 percent in ingot steel.

With the trend of improved production

tion since October 1980 in the public sector steel plants, the import requirement has been reduced. Rather SAIL may have to consider exporting some of the categories of its production so that outgo in foreign exchange in import of other categories is neutralised to some extent.

Science and Technology

Sophisticated Radars Developed

Initiated and funded by the Department of Electronics, sophisticated radars, namely, Air Route Surveillance Radar (ARSR) and Precision Approach Radar (PAR) have been developed by Hindustan Aeronautics Limited, Hyderabad. Radars of these types were, so far, being imported by the Department of Civil Aviation, Indian Air Force and the Indian Navy.

After extensive interaction with the user agencies and on the basis of a specific request from the National Radar Council, the project was taken up by the Department of Electronics. The development of ARS Radar, costing about Rs. 40 million and the PA Radar, costing about Rs. 15 million in international markets, will result in significant saving of the foreign. In addition, it will contribute to the growth of modern industry in the country.

The Air Route Surveillance Radar is a long range air surveillance radar with the range capability of about 400 kms. It will be used for air traffic control to ensure safety in the skies. The precision approach radar is a precision landing aid for the air-

craft. It assists the aircraft to land accurately in poor visibility conditions. This radar is capable of providing coverage to either end of a single runway. It has been developed in record time of four years and incorporates the latest technology.

Industrial Solar Hot Water Unit

A solar hot water demonstration unit designed by the Central Salt and Marine Chemicals Research Institute (CSMCRI), Bhavnagar, has been installed at Jahangir Textile Mills, Ahmedabad. This is the first ever industrial solar hot water unit installed on the sloping roof of a textile mill. It supplies 6,000 litres of hot water at 80 degree centigrade.

The unit consists of four parallel arrays of flat-plate collectors, each array consisting of 12 single and 6 double glass glazed flat-plate collectors with non-selective black-painted absorbers and 5 single acrylic sheet glazed flat-plate collectors with selective coating. The system has been provided with thermostatic controls in such a way that hot water at 80 degree centigrade, plus/minus 5 degree centigrade only, flows out. The flow of feed water to each array is monitored through rotameters.

Promoting Maritime Space Satellite Technology

India is poised for a leap into maritime space satellite technology, in active collaboration with the International Maritime Satellite Organisation (INMARSAT).

The stage has been set for the introduction of the new global system as ships all over the world are experienc-

ing an average delay of five hours in establishing contact with coast stations.

India's Overseas Communication Service (OCS) will now provide satellite communication to ship owners and will also set up an earth station near Bombay to link up with the satellites. The earth station is expected to be operational within three years.

INMARSAT is a inter-Governmental organisation representing the maritime nations of the world. The OCS had played an important role in the establishment of this multinational space satellite venture.

Shipping interests in India and the Far East would benefit most from the proposed improvement in telecommunication facilities particularly in the context of significant expansion of the merchant fleet.

*Objectives of Public Sector Enterprises**

During the three decades since independence, the growth of public sector enterprises has been enormous, both in terms of investments and scope of activity. The investment in the public sector by way of equity capital plus loans has risen from Rs. 290 million at the commencement of the First Five Year Plan in 1951 to nearly Rs. 180,000 million. The activities of the public sector are, today, spread over a wide spectrum of core sector and strategic industries including more than 35 percent contribution to exports.

The principal objectives of public enterprises are to promote economic

* (By Mohd. Fazal, Member, Planning Commission)

development and growth; to promote self-reliance in strategic sectors and diversify the economy; to prevent concentration of economic power; to reduce regional and social imbalances; to effects equitable distribution of income through social overhead capital, adopting proper employment policy and other measures; to generate surpluses for re-investment. It may be examined what has been the outcome of these objectives.

Apart from socialising the means of production, the public sector enterprises have generated direct employment for nearly 201 million persons whose annual average emoluments per person are over Rs 11,000; excluding millions of jobs created in other sectors which depend on a very wide range of material inputs produced by the public sector.

These enterprises have generated fixed assets which after depreciation were worth more than approximately Rs. 125,000 million at book value, and their annual turn over was more than Rs. 220,000 million by March 1980. The ratio of net fixed assets to sales at 1: 1: 7 is a good index of capital utilisation considering that these enterprises are engaged in core industries which are highly capital intensive. The turnover of these enterprises during the last decade (1968-1979) has registered a compound growth rate of 23 percent compared to the annual compound growth rate of the country's gross national product of 10.4 percent.

The public enterprises have played a big role in diversifying the Indian economy. Its range of activity today extends to some of the most sophisticated industries. It also operates in many service industries. A wide range of skills have been developed as a

result. The extent to which the economy is able to meet its requirements of these diversified range of products is an indication of the development of skills and the self-reliance that have been achieved. Industries like steel, aluminium, non-ferrous metals, fertilizers, heavy engineering etc. have helped the country to save substantially on imports and create the base for industrial and economic self-reliance of the country. The commanding position the public sector occupies today can be seen from the substantial share of production generated by the public enterprises, in important raw-materials and basic goods. The percentage share of production of the public sector in various areas of the national economy are : 100 percent in hydro turbine, shipbuilding production, newsprint, ammonia sulphatic nitrate fertilizers; steam turbine, telephone equipment, x-ray films and teleprinter equipment; 96 percent in coal, 98 percent in copper ore, 85 percent in steels and 50 percent nitrogenous fertilizers

Owing to historic and other reasons such as resource endowment, the economic development of the country was not even before independence. The public enterprises have striven to redress the economic and social inequalities that were caused by these factors. Its contribution in reducing regional imbalances in the country has been phenomenal.

While the minimum pay of an employee in the public sector has increased several folds in the last 3 decades, the maximum pay of the highest paid employee has been 'pegged' consciously to narrow down the gap between the highest and the lowest paid. The public sector has an implicit and often

an explicit obligation to set standards in its dealings with its employees. This requires the enterprises to provide housing, health, education and recreational facilities which are generally much above the national standards. The public sector has also recognised the importance of giving greater recognition to workers in the management of their companies. Worker participation at the shop floor and plant level has been accepted as a part of the objectives of a model employee by the public sector. Measures are in hand to intensify workers' participation at the highest managerial levels.

In a mixed economy, where public and private enterprises operate and co-exist, the temptation to judge the public enterprise performance by the private enterprise criteria of net profits in a narrow commercial sense is indeed misleading.

Public sector enterprises have multi-dimensional goals, one of which is that these enterprises usually undertake activities which are not privately remunerative, and yet economically and socially of considerable importance. Enterprises which are set up by the public sector would not have been set up if the criteria of only maximising profits was adopted. If the whole process of industrialisation in India was left to the private sector, India would not have achieved the stride in economic development, in the development of high technological base of the country's economy, in effecting import substitution, in raising the country's managerial and technical manpower to the level which the country has been able to raise. There is a great deal of qualitative difference between profit of a public enterprise and the profit of a private enterprise. And yet comparisons continue to be made between

profits made by private enterprises engaged in software consumer-oriented industries, with the profits made by the public enterprises which are in a completely different kind of operation altogether. An analysis of the performance during the period 1968-69 to 1978-79 indicates that the public sector enterprises had, in fact, earned a gross profit of Rs. 90,130 million including provision of depreciation. Over the years, the percentage of gross margin of public sector to capital employed has increased from 7.5 percent in 1968-69 to 12.5 percent in 1978-79. These gross margins have been the resources generated by the public sector for the overall development of the economy.

In the public mind, there is an erroneous impression that the performance of public enterprises in terms of financial result has been grossly inadequate when compared to the performance of private enterprises. This comparison is often done on wrong basis. For example, the return of the private sector enterprises calculated on the basis of gross profits to capital employed is around 11 percent. The term 'capital employed' includes all assets, fixed assets as well as current assets which is higher than the figure of 'capital employed' used in the Bureau of Public Enterprises data where current liabilities are taken out from current assets. Thus, the profitability ratio of approximately 11 percent shown by the private enterprises in respect of large companies employing over Rs. 10 million capital, used in Reserve Bank of India and Economic Times data, is often an under-estimation of the real profitability index. But if it is considered that over 70 percent of the goods and services sold by the public enterprises are subjected to administer-

ed prices and if the multi-dimensional goals of the public enterprises are taken into account, and also the fact that public sector operates in the core sectors of the economy, than a return of 10 percent on the capital employed, which was the achievement of the public enterprises in 1978-79 (excluding the coal enterprises) would appear to be satisfactory.

The immense requirements of country's development have necessitated a re-orientation in her approach towards public sector in many ways. Firstly, while the achievement of non-financial objectives will continue to be important, these enterprises will have to generate greater resources for the financing of economic development.

A major managerial revolution has taken place in the public enterprises, although rather quickly. It is not often realised that the managerial group in the public enterprises under the Central Government is today more than 100,000. This is roughly three times the size of the managerial group in the All India and Central Services. Unlike the latter, managerial group in the public enterprises was a new breed, the seeds of which were sown in the post independence era. On the other hand, the size and quantity alone do not always speak for them selves. The test of managerial revolution which the public enterprises have brought about in the country is the extent to which they have been able to carry out the much-needed managerial reform and managerial reconstruction of the entire bureaucracy, of which public sector is a sub-system. There is no doubt that India's public enterprises have thrown up some of the managers of the highest quality in the country.

The considerable concern and anxiety in the past at different levels in the Government, and outside the Government has been responsible to a great deal of erosion of confidence within the management of public sector. It does, however, generate some confidence that the position is being changed. Instruments of policy are to be introduced which on the one hand while making public sector answerable for its performance, leaves it at the same time considerable freedom to set its own rules of operation, and details of its working are not questioned from time to time at different forums, whether they be in the Government or outside. By a set of instruments of instructions, the Government could lay down for a particular company the policy framework under which the company will have to operate and the yearly performance, profits, etc. which each company will have to show. Within these boundaries, the public sector needs to be allowed a free hand. In fact, such is the situation obtaining in regard to some of the oldest public enterprises in Germany, France, Italy, etc., where these enterprises are not only world famous, but are making considerable contribution to provide many manufactures and services for which they were set up, and also contribute significantly to the augmentation of the national economy. India is faced with a new challenge of expansion and growth in its economic development, so that poverty is removed in the near future. In this task, public sector has to play a great and constructive role.

India has abundant natural resources, and is endowed with great talents in her men and women. These two factors have every possibility of taking the country forward, and make India a Great Society. In this national task public sector has indeed a great role to play.

Programme of Forthcoming Participations in Trade Fairs/Exhibitions Abroad

- | | |
|--|------------------------------|
| 1. Ghent International Fair, Ghent
(Belgium) | September 12-27, 1981 |
| 2. Budapest International Autumn Fair,
(Consumer Goods), Budapest (Hungary) | September 18-27, 1981 |
| 3. Tehran International Fair,
Tehran (Iran) | Date to be Fixed |
| 4. Baghdad International Fair,
Baghdad (Iraq) | October 1-15, 1981 |
| 5. Indian Exhibition, Sydney (Australia) | October 6-9, 1981 |
| 6. Bucharest International Fair,
Bucharest, (Romania) | October 15-23, 1981 |
| 7. Pret-A-Porter Feminin (International)
Exhibition for Ladies Ready-to-Wear
Clothing, Paris, (France) | October 17-21, 1981 |
| 8. Santiago International Trade Fair-FISA'81,
Santiago (Chile) | October 29—November 15, 1981 |
| 9. Indian Exhibition, Nairobi, (Kenya) | January—February, 1982 |
| 10. Indian Exhibition, Bahrain | February, 1982 |
| 11. Cairo International Fair, Cairo
(Arab Republic of Egypt) | March, 1982 |
| 12. Indian Exhibition, Algiers, (Algeria) | May, 1982 |
| 13. Indian Exhibition, Kuala Lumpur
(Malaysia) | November, 1982 |
| 14. Indian Exhibition, London (UK) | November, 1982 |
| 15. Indian Exhibition, Mexico | May, 1983 |
| 16. Hannover International Fair, (FRG) | April, 1984 |

Further information can be obtained from the Manager (Exhibitions), Trade Fair
Authority of India, Pragati Maidan, New Delhi-110001.

FACILITIES FOR INTERNATIONAL EXHIBITORS AT INDIA INTERNATIONAL TRADE FAIR, 1981

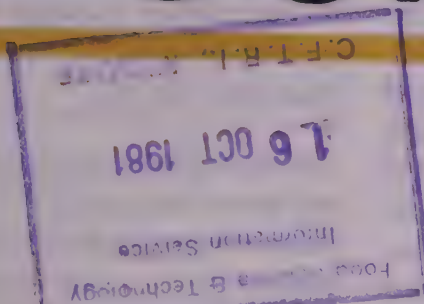
Trade Fair Authority of India (TFAI) will organise India International Trade Fair 1981 (IITF '81) from November 14 to December 4, 1981 at Pragati Maidan, New Delhi. The main objective of the Fair is to promote international trade and encourage new investments in India as well as in third countries. The Fair will project India's allround progress in the fields of industry, agriculture, trade, science and technology. As many as 50 foreign Governments at the national level and more than 3,000 companies from India and abroad are expected to participate in the Fair.

With a view to making foreign participation meaningful, a number of facilities are being provided to the international exhibitors for expeditious disposal of the exhibits displayed by them. These are listed below :—

- (1) Government of India have issued instructions to all Ministries and public sector undertakings that as far as possible, in regard to their import requirements, they should make their purchases from the goods that are displayed by international exhibitors at the Fair.
- (2) The capital goods requirements have been compiled in the form of booklet which is available with TFAI for reference of those foreign governments and firms who wish to participate in the Fair. This will facilitate the concerned Departments to make their selections and order for their purchases from the exhibit that are displayed at the Fair.
- (3) For expeditious disposal of exhibits that are displayed at the International Fair, Government of India have streamlined customs and licensing procedure as under :—
 - (a) Fair Quota to the maximum of Rs. 5 million in foreign exchange per exhibitor has been earmarked for disposal of the exhibits displayed at the Fair.
 - (b) In respect of capital goods upto a value of Rs. 1 million per item, Chief Controller of Imports and Exports (CCI and B) has simplified the licensing procedure to ensure that such licence are issued on the spot.
 - (c) In respect of items of the value of over Rs. 1 million, special meetings of the Capital Goods Committee (CGC) will be convened to ensure that these applications for import licences are disposed of expeditiously.
 - (d) Items falling under Open General Licence (OGL), and Indian importers holding licence for the items of their purchase, will be allowed direct purchases and clearance by the Customs located at Pragati Maidan.
 - (e) Customs and Chief Controller of Imports and Exports offices will be located at Pragati Maidan to facilitate expeditious clearance of goods.
 - (f) As an incentive for developing countries to participate in the Fair, following items of consumer goods which are otherwise banned for import into India, have been permitted for disposal by the developing countries participating in the Fair : handicrafts, garments, jute goods, toys other than electronics, cosmetics, house-hold goods other than electrical and electronics, ladies fashion wear, leather goods, glass-ware, dry fruits, and honey.
 - (g) International exhibitors have been allowed duty-free import of publicity and advertising materials for free distribution during the Fair.
 - h) To make participation more attractive, several other relaxations in regard to customs and licensing regulations have been agreed to by the Government.

The licence fee will be Rs. 100 per square metre for open area and Rs. 400 per square metre for covered area. Foreign participants will, of course, be required to pay the fee in foreign exchange. Further details may be obtained from the Trade Fair Authority of India, Pragati Maidan, New Delhi-110 001.

economic and commercial news



News Highlights

Indo-Soviet Industrial Cooperation

Under an agreement signed recently between India and the Soviet Union, the latter would take up construction of a large size coal washer plant in Jharia Coalfield by 1984-85. On completion, this plant will produce two to three million tonnes of washed coal per year for the steel plants. The Soviet Union has also accepted India's proposal for the development of a major coking coal mine in Damuda Block of Jharia Coalfield.

ECCL Awarded High-Value Iraqi Contract

The Engineering Construction Company Limited (ECCL) has bagged a contract for the construction of police headquarters building in Baghdad by the State Organisation of Buildings, Iraq. The value of the contract is estimated at Rs. 400 million. ECCL is currently executing two other contracts in Iraq worth Rs. 2,607 million.

Indian Company Bags Algerian Contract

An Indian company, M/s. Tata Exports, has secured a contract from

Export Performance and Potential

Promoting Indo-Australian Trade Exchanges

Possibilities of Indo-Australian joint tendering for projects in third countries, market research to ascertain the consumer preference for products to promote India's exports to Australia, cooperation in the field of agricultural research, promotion of package tours to India to Australian tourists and development of India's woollen, engineering and sports goods industries for export purpose, were discussed recently in New Delhi when a high level Trade Development Council Survey Mission from Australia led by Mr. J. B. Gough, called on the Union Commerce Minister, Mr. Pranab Mukherjee.

The visit of the Mission was a follow-up of the meeting between the Deputy Prime Minister of Australia and the Commerce Minister at New Delhi in June, 1981, when it was decided that a delegation from Australian trade and industry would visit India to identify themselves the possibilities of expanding bilateral trade and economic cooperation by establishing joint ventures in India, Australia or in third countries.

The mission's principal objective was to acquire a fuller understanding of agricultural, mining, manufacturing and commercial sectors of India, identification of specific opportunities for increasing two-way trade in goods and services, examination of the scope for industrial cooperation between manufacturing industries of two countries so as to see the manner in which consultants, contractors and suppliers of two countries may collaborate in bidding for major projects in third countries.

Algeria for the supply of 400 Tata buses and spare parts valued at over Rs. 100 million. The contract was recently signed with Algeria's government undertaking, SONACOME. This is the first time that Indian commercial vehicles are entering the Algerian market. The contract was won against stiff competition from renowned European manufacturers. The harbinger of Tata Exports' major contracts in Algeria was a turnkey project for setting up two electric substations.

Contents

Export Performance and Potential	
Promoting Indo-Australian Trade Exchanges	1
India Offers Assistance for Kampuchean Economy	2
TFAL's Successful Participation in Damascus International Fair	3
Exclusive Indian Trade Exhibition at Bahrain	3
Indo-German Joint Commission Meets	3
Transfer of Indian Technology to Various Countries	4
Stepping Up Marine Products Exports	4
Growing Trade between India and East Asia	4
India's Assistance for Development of Communications	4
Industrial Growth and Diversification	
DGTD Industries Maintain Upward Production Trend	5
Indian Shipping Makes Progress	5
Captive Power Plant for NALCO	6
Additional Capacity for Pesticides Formulations	6
Zinc Reserves in Rampura-Agucha	6
National-Level Meet on Tea Industry	7
ITDC Hotel at Bombay Airport	7
Higher Allocation for Rail Track Renewals	7
Notable Hike in Coal Output	8
Science and Technology	
Progress in Space Meteorology	8
New Process for Electrolytic Chromium	9
Novel Sponge Iron Production Process	9
A Review of Tourist Arrivals in India	9

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this Journal.

During the discussion, the Commerce Minister pointed out that though bilateral trade had been expanding between Australia and India, yet India's share in Australian imports was only 0.7 percent in 1979-80. There was need, therefore, to identify items for which bilateral trade could grow, he added. The Commerce Minister explained in detail India's policy regarding foreign investment and equity participation. He urged the Australian industrialists to consider investment in India, specially in export-oriented projects for which higher foreign equity could be allowed.

Mr. Mukherjee said that India had already launched 210 joint ventures projects in 36 countries of which 124 were in production and 86 under various stages of implementation. Though most of these joint ventures were set up in developing countries of South Asia, West Asia and Africa, some of these had even been set up in advanced countries like the USA., U.K, West Germany and Netherlands. The Minister pointed out that India and Australia could jointly tender for projects in third countries which could be competitive because of India's large reservoir of technical manpower, as well as availability of raw material and equipments.

The Australian delegation gave an account of their experience in India during the last one week and said that there was enormous scope for increasing trade between the two countries. Mr. Gough pointed out that if India could utilise its abundant cheap labour and technical manpower to produce quality goods for exports it would have enormous market abroad. In this connection he stressed the need for market research in Australia to

ascertain consumers preference and production of export quality goods in India accordingly. The Commerce Minister welcomed the suggestion and said that India would strive to produce such goods, which would be competitive quality-wise and price-wise.

The Australian delegation expressed its appreciation about the agricultural development in India in the past few decades and stressed the need for Indo-Australian cooperation in agricultural research. It also pointed out that there was tremendous scope for promoting package tours to the specific destinations in India to the Australian tourists.

The Australian delegation also discussed about the possibilities of development of worsted wool, sports goods and readymade garments industry in India for export purposes. The Commerce Minister agreed with their suggestions. He also stressed the necessity of removing restriction on imports of India's handloom and handicrafts as these industries provided employment to a very large number of people in India.

India's main exports to Australia are textile fabrics, jute and jute products, leather and leather products, precious and semi-precious stones, footwear, cashew nuts, garments and apparels, tea, chemical and allied products, prawns and shrimps. India's imports from Australia are raw wool, iron and steel, zinc, lead and coking coal.

India Offers Assistance for Kampuchean Economy

India has offered all possible assistance for strengthening and reviving the economy of Kampuchea. This

assurance was extended by Dr. Charanjit Chanana, Union Minister of State for Industry during his meeting with the Kampuchean Vice Premier and Foreign Minister, Mr. Hun Sen recently in New Delhi.

The Kampuchean Foreign Minister said that he was deeply impressed by his visit to the Okhla Industrial Estate. He sought India's assistance for development of small and medium scale industries in his country. He also requested for arrangements for training of Kampuchean technicians in India and for setting up training facilities in Kampuchea. Dr. Chanana assured him of India's assistance in this regard. The Kampuchean Vice Premier also requested for spare parts for textile plants, automobiles, locomotives, agricultural implements, etc. He also made enquiries about setting up a fertilizer plant in Kampuchea and modernisation and improvement of their ceramic industry.

Dr. Chanana requested him to have details of their requirement worked out. These could be discussed by the Indian interministerial team which is likely to visit Kampuchea shortly.

TFAI's Successful Participation in Damascus International Fair

India participated in the Damascus International Fair (Syria) which was held during August 22-September 10, 1981, for the fourth consecutive year. Prominent Indian firms such as Hindustan Machine Tools, Metallurgical and Engineering Consultants (MECON), Tata Exports Development Consultants, Vijay Tanks and Vessels and Tea Board took part in this Fair. India's successful participation in the Fair which was orga-

nised by Trade Fair Authority of India, (TFAI) has helped improve Syrian awareness of India's industrial progress and its large export potential. So far, Syrian purchases from India have been limited to traditional products such as tea although some quantities of iron and steel, metal manufactures and industrial machinery are also being purchased lately. India's participation also aimed at identifying product groups which could be imported from Syria.

It may be recalled that India's participation at the Fair last year generated on-the-spot business worth Rs. 20 million for wide ranging engineering products especially electrical equipment, metal manufactures, machine tools and handtools. This time business is expected to go up significantly.

Exclusive Indian Trade Exhibition at Bahrain

The Trade Fair Authority of India, on behalf of the Ministry of Commerce, Government of India, will organise an Indian Trade Exhibition in Bahrain during February 1-10, 1982.

Bahrain's oil industry is the oldest in the gulf region and oil still remains the main-stay of the country's economy. The Government of Bahrain has, in recent years, embarked on a programme of industrial diversification. The Island's first development Plan 1982-85, promises a wide range of trade and contracting opportunities for Indian industrial products and services. Bahrain follows a liberal import policy. It is against this background that the exclusive Indian Exhibition has been planned. Items

suggested for display at the above Exhibition are engineering products including capital goods, electrical equipment, machinery, transport equipment, other engineering items, construction equipment, building material and services, textiles, chemicals, pharmaceuticals, machines, cosmetics, food, beverages and tobacco, miscellaneous and consultancy services.

Indo-German Joint Commission Meets

The Indo German Joint Commission for Economic and Industrial Cooperation met recently in New Delhi. The Indian side was led by Mr. R.N. Malhotra, Secretary, Department of Economic Affairs, Union Ministry of Finance and the German side by Mrs. Helga Steeg, Head, Department of Foreign Economic Policy in the Ministry of Economics of the Federal Republic of Germany. Representatives of business and industrial interests were present on both sides.

Measures taken by the Government of India to streamline procedures with the object of creating an increasingly favourable climate for foreign investment in India were explained by the Indian Delegation. A number of important sectors like coal, machine tools, and construction of specialised ships, were identified for exploring the possibilities of further collaboration between Indo-German parties. Views were also exchanged regarding measures to narrow the trade gap between the two countries. Government of India's policy regarding drug pricing and the proposal of the marketing drugs under their generic names was also discussed.

Both sides discussed other matters of mutual interest which will lead to further strengthening of the ties between the two countries in industrial and technical collaborations, smoothening and widening of trade flows and exchange of personnel engaged in projects.

Transfer of Indian Technology to Various Countries

The National Research Development Corporation of India (NRDC) has transferred technology as such to Malaysia (Spice Oleoresin Project), Nepal (High Draught Kiln), Philippines (Active Carbon from Saw Dust), Kenya (Fountain pen link), West Germany (Suri Transmission) and USA (Syntan PKR and Nasal Filter).

Several projects under the Indian Technical and Economic Cooperation (ITEC) Programme have been completed with Afghanistan, Srilanka, Burma, Mauritius, Tanzania, Vietnam, Laos, People's Democratic Republic of Yemen, Fiji, Thailand and Malawi.

Technology developed in India has also been transferred to other countries through joint ventures established by Indian firms abroad and the turnkey projects executed by Indian public sector undertakings and by private sector industrial units. Consultancy services have also been rendered by several Indian consulting engineering organisations. Indian technologies have been transferred to other countries through several mechanisms involving both public and private agencies, which are not covered by the budgetary provisions in the Union Department of Science and Technology.

Stepping Up Marine Products Exports

The estimated export of marine products including fish from India during 1981-82 is 122,120 tonnes, valued at Rs. 3,000 million.

The target for export of marine products in 1982-83 is Rs. 4,120 million, for 1983-84 is Rs. 4,930 million and for 1984-85 Rs. 5,910 million. This information was given by Mr. Khurshid Alam Khan, Union Minister of State for Commerce, in Lok Sabha, recently.

The Minister listed a number of steps which had been taken by the Government to ensure increase in exports of marine products. These included chartering of deep sea fishing vessels, prawn culture, setting up of peeling sheds, distribution of insulated boxes on subsidy, assistance for developing new markets and new products. Government had also set up a Task Force to suggest measures to step up exports of marine products, he added.

Growing Trade Ties between India and East Asia

The East Asia Region, comprising Japan, Australia, New Zealand, Malaysia, Indonesia, Singapore, Thailand, Philippines, Burma, Taiwan, North and South Korea, Hong Kong, China, Vietnam, Mongolia, Laos, Kampuchea, Fiji, Papua New Guinea, Western Samoa, Tonga, Kiribati, Tuvalu, Solomon Islands, Vanuatu and Nauru, accounted for 18.3 percent of India's global exports in 1975-76, which increased to 22 percent in 1978-79.

Imports into India from the countries of this region accounted for 10 percent of India's global imports in 1975-76, which increased to 16 percent in 1978-79. India's overall balance of trade with the countries of this region has been constantly favourable from 1975-76 onwards. This trend continued during the first six months of 1979-80 also.

The main items of India's exports to this region comprise textiles, ores and concentrates, marine products, tea, coffee, cashewnuts, leather and leather manufactures, feeding stuff for animals, machinery and transport equipment etc. The items being imported by India from the region include vegetable oils and fats, portland cement, wool, lead, zinc, coking coal, tin, iron and steel, chemical and related products.

India's Assistance for Development of Communications

At the first session of the Intergovernmental Council on the International Programme for the Development of Communications (IPDC) held at Paris from June 15 to June 22, 1981, India had pledged an initial sum of US \$ 1,00,000 which approximately comes to Rs. 800,000 only for the current financial year towards the development of the programme. This was disclosed by the Union Minister of Information and Broadcasting, Mr. Vasant Sathe, in the Lok Sabha, recently.

The Minister said that IPDC came into being following a resolution adopted by the 21st General Conference of UNESCO held at Belgrade during September-October, 1980 to develop a proposal for institutional

arrangements to systematize collaborative consultation on communication development activities, needs and plans. The operative part of the resolution proposed the constitution of a 35 member Inter-governmental Council, elections for which were held at the General Conference. India was among the countries elected to this Council which have been entrusted with the task of implementing, on the basis of consensus, the objectives set out for the administering of the IPDC, he added.

Mr. Sathe said that the primary objective of this programme was to develop communication infrastructure and facilities in developing countries with a view to reducing the existing gap in the field between the developed and the developing countries. The activities of the IPDC would cover survey, evaluation and planned development of communication facilities in the developing countries. It would also address itself to exploring ways and means for providing developing countries with resources they need to create or improve communication infrastructure and train personnel in order to bring about a wider and balanced exchange of information.

The Minister said that the setting up of such a mechanism under the aegis of UNESCO was by itself, a significant step forward in the attempts by developing countries at reducing the present imbalances in the world communication and information set-up. The actual benefits to be derived by various countries, including India, would, of course, depend on the resources available to the programme, assessment of needs of developing countries and interse priority thereof etc. India was elected as one of the

three Vice-Chairmen of the IPDC at the first session of the Intergovernmental Council held in Paris during June, 1981, he added.

Industrial Growth and Diversification

DGTD Industries Maintain Upward Production Trend

The overall growth of 132 Directorate General of Technical Developments (DGTD) industries which account for a total weight of 39.7 in the General Index of Industrial Production was 12.9 percent during June, 1981 over June, 1980. The quarter ending June, 1981 had a rise of 13.2 percent in production when compared to last year. First six months of 1981 i.e. January-June, 1981 had shown the production rise by 11.4 percent over last year.

During the quarter ending June, 1981 the production in the entire engineering manufacturing sector had a positive growth : basic metal industries (10.8 percent), manufactures of metal products other than machinery (14.7 percent), manufacture of machinery (excluding electricals) (17.4 percent), and transport equipment (35.4 percent).

Manufacture of electrical apparatus and appliances had a nominal growth of 1.1 percent.

In the chemical and non-engineering sector, impressive growth has been achieved in most of the groups. Manufacture of chemicals and chemical products showed 19.1 percent growth, manufacture of paper and paper products 12.9 percent, manufacture of cement 19.5 percent, manufacture of rubber products 9.2 percent

and manufacture of leather footwear 7.8 percent.

Indian Shipping Makes Progress

Indian shipping really came into being only after Independence. On 15th August, 1947 when the country became independent, there were only 59 ships and the tonnage was 192,000 GRT. On 1st January, 1981 there were 383 ships with tonnage of 5.68 million GRT. India occupies fifteenth rank in the maritime world.

In 1951, investment in shipping was only Rs. 220 million and all this was in private sector. The total investment in 1980 was estimated at Rs. 19,000 million. Of this 10,230 million was invested in Shipping Corporation of India (SCI) and Mogul Line. In private shipping companies, the investment is 8,770 million.

Out of 5.68 million tonnes, 55 percent tonnage is held by SCI and Mogul Line and 45 percent by private shipping companies. By the end of 1980, the total assistance provided by the Shipping Development Fund Committee amounted to Rs. 28,300 million which included rupee loans to the tune of Rs. 11,980 million, guarantees Rs. 12,800 million and Safauns loan Rs. 3,520 million.

The new development in shipping is containarisation. The ports are being modernized to handle containers as there is a programme of acquiring container ships.

The port facilities are also being improved to handle more cargo. Presently, the ten major ports are handling 80 million tonnes of cargo which is proposed to be augmented to

130 million tonnes by the end of Sixth Plan period.

Captive Power Plant for NALCO

The State-owned National Aluminium Company (NALCO), responsible for executing the alumina-cum-aluminium complex in Orissa, has entered into an agreement with M/s. Development Consultants Private Limited (DCPL) for engineering consultancy services for the company's 700-800 MW captive power plant.

The captive power plant, costing Rs. 4,083.3 million will be set up at Balramprasad near Talcher in Orissa. It will be designed to ensure firm power availability of 400 MW required for the aluminium smelter to be set up at Talcher. Interconnection will also be provided with the grid of Orissa State Electricity Board. Coal India Limited are opening a new coal mine at Bharatpur Block near Talcher with a capacity of 3.5 million tonnes of coal per annum to supply coal to the captive power plant. A coal washery to reduce ash content and deshaling is also proposed.

NALCO, which was set up in January last year, has made rapid strides in the last few months. It has entered into an agreement with a well-known French firm of consultants, M/s. Aluminium Pechiney, for know-how and basic engineering package and also site services for the bauxite mine, alumina plant and aluminium smelter. It has retained M/s. Engineers India Limited as Indian back-up consultants for detailed engineering, procurement assistance and site management services. The Company has also entered into an agreement with a consortium of international banks for

Euro-currency loan for the project, amounting to US \$ 680 million

The alumina-cum-aluminium complex will be commissioned in stages from 1985-86 and 1987-88. The first phase of commissioning of captive power plant is scheduled during the second half of 1985-86. This will synchronize with the commissioning of the first phase of aluminium smelter. At the full operational stage, the project will produce 2.4 million tonnes of bauxite ore per annum; 8,00,000 tonnes of alumina and 2,18,000 tonnes of aluminium metal. Nearly half of the production of alumina plant i.e. 3,75,000 tonnes will be exported. For this purpose NALCO is setting up alumina handling facilities at the Vizag Port.

The Company has also initiated long-term planning for the sale of alumina. A team visited Bahrain and Dubai recently to hold exploratory talks for the sale of alumina to these countries. The Company also plans to contact several other countries which have evinced interest for long-term arrangements for the purchase of alumina from India.

Additional Capacity for Pesticides Formulations

Central and State public sector undertakings and cooperatives are to be allowed to create additional capacity for formulating pesticides. The Government of India has decided to relax the ban on setting up of additional capacity for formulations of pesticides in favour of Central and State undertakings and cooperatives.

At present, there is a ban on setting up of additional pesticides formula-

tions capacity unless the proposal is firmly linked to a time-bound programme for manufacture from the basic stage. The Government has been receiving representations for relaxation of this ban. It has been pointed out that relaxation is essential to remove regional imbalances and to meet local needs as well as to promote the use of new and sophisticated pesticides.

After considering the matter, the Government has now decided that creation of additional capacity may be allowed in favour of Central and State public undertakings and cooperatives. Before allowing fresh capacity in the small scale sector, the present arrangements for quality control in respect of existing units will be reviewed and streamlined.

The applications from units wishing to set-up fresh formulations capacity will continue to be governed by the normal licensing procedures and procedures for registration under the Insecticides Act.

Zinc Reserves in Rampura-Agucha

The detailed exploration carried out so far by Hindustan Zinc at Rampura Agucha in Bhilwara district of Rajasthan for finding out Zinc reserves indicates total ore reserves of about 53 million tonnes, of which demonstrated reserves are about 36 million tonnes, with 1.50 percent lead and 13.89 percent zinc. This information was given in Lok Sabha recently by the Union Minister of Commerce, Steel and Mines, Mr. Pranab Mukherjee.

The Minister said that the company has entered into an agreement with a

West German consultant for preparation of a pre-feasibility study report for setting up of a new Zinc-Lead Smelter Complex. This report will, inter-alia, cover the question of most suitable site for location of the new Smelter. The study is expected to be completed by the end of 1981-82.

National-Level Meet on Tea Industry

The Union Commerce Ministry convened a National-Level Meet on tea industry recently in New Delhi to focus attention on some of the basic issues that faced this industry and to evolve a co-ordinated national policy on tea. The meeting at the ministerial level was presided over by Mr. Pranab Mukherjee, Union Minister of Commerce, Steel and Mines.

India is the world's largest producer, consumer and exporter of tea. The production of tea in India during 1980 is expected to be around 580 million kgs. against 546.32 million kgs. during 1979. Unlike production, however, exports of tea from India have been showing ups and downs centering around an annual average of 200 million kgs. The Government of India have taken various fiscal measures for boosting exports of tea especially in value-added forms. These include reduction and subsequent abolition of export duty on tea, re-introduction in January 1979 of the system of refund of exciseduty on packet tea exports, placing tea bag machinery import under OGL, reducing import duty on tea bag machines from 75 percent to 25 percent and enhancing the rate of cash compensatory support to packet tea and tea bags from 10 percent to 12.5 percent.

During the Sixth Plan, an annual increase of 30 to 35 million kgs. of tea in production has been planned to meet the domestic and export demands. The draft Sixth Five Year Plan provides for a total outlay of Rs. 4,200 million for various on-going and new schemes of the Tea Board for promotion of tea and for 1980-81 an outlay of Rs. 605 million has been proposed.

In the international sphere, India is faced with a situation of over supply of tea and falling prices. Efforts are being made to bring about an agreement among producing and consuming countries so as to establish better equilibrium between supply and demand. Discussions on an international tea agreement are continuing. An important development in the international sphere in 1979 was the formation of the International Tea Promotion Association, the governing body of which has already met a number of times. For the first time, thus, the tea exporting countries have organised themselves under the auspices of an international organisation, whose main task would be to undertake global promotion of tea as a beverage.

ITDC Hotel at Bombay Airport

Mr. A. P. Sharma, Union Minister for Tourism and Civil Aviation laid the foundation stone of Hotel Ashok Airport in Bombay near the new upcoming international air terminal recently. The 250-double-bed room hotel, estimated to cost over Rs. 70 million is expected to be commissioned in two years.

A joint venture project with the International Airport Authority of India,

Hotel Ashok Airport will be the first in Bombay in the established chain of Ashok Group of Hotels of the India Tourism Development Corporation (ITDC). The hotel adjoining the new international air terminal will be a landmark in extending to India the concept of airport hotels. So far there are only two airport hotels in the country; one in Bombay and the other in Calcutta.

Hotel Ashok Airport will introduce the latest decor and design to serve as a model for airport hotels in the country.

The luxury hotel will satisfy the international standards in service and comforts. It will have a swimming pool and large cafeteria. The two rest rooms in the hotel will have a total capacity of 250 seats, the coffee shop will handle 100 customers at a time and the conference hall will be able to accommodate 150 persons.

Higher Allocation for Rail Track Renewals

Railways have stepped up their allocation for track renewals from Rs. 700 million in 1980-81 to Rs. 1,100 million this year. This is likely to be increased to Rs. 1,300 million in 1982-83. The total allocation for track renewals under the Sixth Plan is of the order of Rs. 5,000 million.

Zonal Railways have been asked to intensify inspection of track at various levels and make sure that deficiencies noticed are removed promptly. Testing of rails by ultrasonic flaw detectors and by frequent visual inspections of rail ends has been emphasised. Presently, 6,000 track kms. are under renewal.

When rail track becomes due for renewal, it does not automatically become unsafe to carry the traffic. Even after becoming due for renewal, the track is maintained to safe standards for operational purposes by techniques like cropping and welding of rails and replacement of sleepers. In certain sections, however, speed restrictions of varying degrees are imposed and safety is not allowed to be affected. Such speed restrictions are presently operative on about 2,000 route kms.

Notable Hike in Coal Output

As a result of various measures taken by the Government, there has been a significant increase in the coal production; and coal supplies to major consuming sectors have gone up substantially.

In July 1981, the coal industry recorded an increase of 12 percent by producing 9.23 million tonnes of coal as against 8.24 million tonnes produced during the corresponding month last year.

Coal production during the first four months, April-July, of the current financial year has substantially exceeded the planned target rate of 5.2 per cent for the entire year. During these four months, 36.73 million tonnes of coal was produced as against 34.12 million tonnes produced last year, marking an increase of 2.61 million tonnes.

With the present increased trend of coal production, the coal industry is confident of achieving its target of 121 million tonnes for the year 1981-82, as a whole. There are possibilities of even exceeding the target for the year.

There has also been a significant increase in the supply of coking coal to the steel plants. In April-July 1981, the supply of coking coal to the steel plants is estimated at 3.65 million tonnes as against 3.38 million tonnes in the same period last year, recording a growth rate of 7 percent. The washeries of Coal India Limited (CIL) have also been functioning at a higher level of efficiency and as a result the washed coal production in April-July 1981 period has been about 14 percent higher than the corresponding previous year.

As a result of the efforts put in by the Energy Ministry, there has been a substantial improvement in the supply of coal to the various consuming sectors in April-July 1981 period. CIL supplied about 11 percent more coal to its consumers as compared to the last year. This increase was reflected in despatches to all the major consuming sectors. The power stations received 19 percent more coal during the period April-July 1981 than in the corresponding period of last year. Similarly, the supply of coal to the cement plants from CIL increased by about 51 percent and to the fertiliser plants by about 150 percent.

The steel plants have received about 7 percent more coal and as a result, have been able to build up stocks at the steel plants to a level of about 500,000 tonnes at the end of July 1981. It is proposed to build up stocks further to a level of 750,000 tonnes in the next couple of months.

The coal companies are also making determined efforts to reclaim coal from the stocks to improve the despatches. As a result, the companies have been able to liquidate nearly

1.8 million tonnes of coal stocks in April-July 1981. The present stocks of coal at the pitheads are estimated at about 16 million tonnes. The coal companies are taking further steps to reclaim coal from the pitheads and transport to the sidings for loading into the wagons for despatch to the various consumers.

Science and Technology

Progress in Space Meteorology

India has become one of the few countries which have progressed in space meteorology in a meaningful and enterprising manner, according to Dr. P. K. Das, Director General of Meteorology. In his inaugural address at the National Symposium on "Early Results of Monsoon Experiment", held recently in New Delhi, Mr. Das informed the audience that India was also going in for the powerful computer technology for extracting knowledge from the available data.

Mr. Das said that the international Monsoon Experiment (MONEX) conducted in the summer of 1979, had thrown up a massive data about the behaviour of monsoons. The symposium was the first step towards research on that data so that it could be translated into meaningful and useful science. The results can be of immense use to the national economy and food production. The Monsoon Experiment (MONEX) conducted in the summer of 1979 was participated alongwith India by the USSR, USA, France and Australia. India had contributed to the experiment by way of three research ships and one research aircraft.

An International MONEX Management Centre (IMMC) was set up by the World Meteorological Organisation in Delhi to co-ordinate the different activities under this international experiment. IMMC have now brought out 13 volumes of data that were collected during the monsoon of 1979. These data volumes have been widely appreciated by international community.

At the national symposium, scientists from various organisations and universities presented their early results on the analysis of the data. The papers touched upon a large number of aspects of the monsoon. Nearly 80 papers were received for the symposium and over 150 delegates participated in this seminar.

The national symposium was sponsored by the Meteorological Department of the Ministry of Tourism and Civil Aviation and Indian Institute of Tropical Meteorology. It is expected to bring out results to indicate why the monsoon of 1979 was abnormal, and why there was a large deficiency of rainfall over India.

New Process for Electrolytic Chromium

The Central Electrochemical Research Institute (CECRI), Karaikudi, has developed a new process for producing chromium powder suitable for the preparation of special-type welding rods. The process consists in depositing chromium in the form of brittle sheets from chromic acid, containing a known amount of sulphate ions, on pretreated stainless steel cathode. The deposited chromium is stripped and powdered. The chromium powder is about 98.5 percent pure and is suitable

for manufacturing welding electrodes. Capital investment for a plant of 22.5 tonnes/annum capacity has been estimated at Rs. 2600,000 and the cost of production works out to Rs. 140 per kg.

The present consumption of chromium powder by welding electrode manufacturers is around 75 tonnes, and for the manufacture of special alloys containing chromium, 20 tonnes.

Novel Sponge Iron Production Process

The Central Fuel Research Institute (CFRI), Dhanbad, has developed a novel process for the production of sponge iron. While known technologies involved reduction of iron ore by gases generated by gasification of coal or char, in the CFRI process, no external reductant is necessary.

The process does not involve, unlike the conventional process, fine grinding either of the iron ore or the reductant non-coking coal before its pelletization and subsequent reduction. In this process, the reduction is intrinsic and takes place in the briquettes, pellets or extruded shapes made out of the essential ingredients. This breakthrough has been possible by a judicious incorporation of the reductant (coal) in the matrix of the iron fines in the form of preformed shapes which, when suitably treated in a furnace, leads to production of sponge iron lumps of desired shape, size, and weight.

The sponge iron is suitable for being charged into blast furnace or directly into steelmaking furnaces. The process is self-supporting insofar as its fuel requirement is concerned.

A Review of Tourist Arrivals in India

The first quarter (January-March) of 1980, which forms part of the peak season of tourist arrivals, showed an increase of 7.8 percent in tourist arrivals over the corresponding quarter of the previous year. In the second quarter, tourist arrivals in June registered a maximum increase of 10 percent followed by an increase of 2.8 percent in May, while a negative growth of 5.1 percent in tourist arrivals was witnessed in the month of April. Thus, by the end of first half of 1980, tourist traffic recorded an increase of 5.4 percent over the corresponding period of last year.

Tourist arrivals during August and September registered an increase of 5.6 percent and 2.7 percent respectively, whereas it showed a decline of 2.9 percent during July. As a result, an increase of only 1.6 percent was recorded during the third quarter of 1980. The increase for the first nine months was thus 4.1 percent against an increase of 4.4 percent registered during the corresponding period of 1979. In the fourth quarter a decline of 2.1 per cent in tourist arrivals was noticed in the month of October. But November registered a maximum increase of 15.3 per cent, followed by 5.2 per cent increase in the month of December. The fourth quarter of 1980 thus, showed an increase of 6.0 percent in tourist arrivals over the corresponding period of the preceding year.

Arrivals during the winter months, comprising the first and the fourth quarters and the summer months, comprising the second and third quarters of 1980 aggregated 451,743

or 56.3 percent and 3,48,407 or 43.5 percent as against 422,843 or 55.3 percent and 341,938 or 44.7 percent respectively during the corresponding periods of 1979. On an average, 2,186 tourists arrived in the country per day during 1980 as against 2,095 tourists in 1979.

Air was the predominant mode of travel and constituted 88.6 percent of the traffic registering an increase of 5.9 percent over the previous year. In all 7,09,279 tourists came to India by air during 1980 as against 669,575 during 1979. Arrivals by sea during 1980 totalled 50,017 as against 47,859 in 1979 registering an increase of 4.5 percent over last year. The number of tourists arriving by land fell from 47,347 in 1979 to 40,854 in 1980 registering a decline of 13.7 percent.

Bombay continued to be the major port of entry with 307,075 arrivals during 1980 followed by Delhi (266,751), Madras (61,536), Rameshwaram, (44,044) and Calcutta (39,483). All the tourists arriving at Rameshwaram came by air. The number of tourist arrivals through Attari Road/Rail declined from 26,109 in 1979 to 18,778 in 1980. The main reason for this decline (23.1 percent) was the disturbed conditions in some of the neighbouring countries en-route to India from Europe.

As regards the age pattern of tourists during 1980, the age-group of 17-30 years predominated with 34.2 percent followed by tourists in the age-group of 31-40 years (27.5 percent). The share of tourist arrivals in the age-group of 17-30 years was predominant among the nationals of Saudi Arabia followed by those of Sri Lanka, Japan, France, West Germany and Italy.

Male tourists predominated in respect of all nationalities and accounted for 68.3 percent, while female tourists constituted 31.6 percent of the total tourist traffic during 1980. The proportion of male to female among Saudi Arabian tourists was 91.5 percent to 8.3 percent whereas it was 57.4 percent to 42.6 percent in the case of French tourists.

Among the regions, South East Asia recorded a maximum growth of 17.5 percent followed by 9.6 percent South Asia, 8.4 percent for West Asia, 7.7 percent for Central and South America 7.1 percent for Africa, 4.0 percent for Western Europe and 2.9 percent for Eastern Europe. However, a negative growth of 4.5 percent was observed for Australasia and 3.5 percent for North America. The maximum number of tourists, 317,832 came from western Europe followed by South Asia 107,925, North America 102,341, West Asia 78,106, South East Asia 60,676, Africa 38,801, East Asia 35,773 and Australasia 29,011.

The High-spending countries comprising the Americas, Europe, Australasia, West Asia and Japan constituted the major portion of the tourist movement to this country during 1980 (73.3 percent) compared to 74.7 percent in the preceding year.

Nationals of the United Kingdom numbering 102,483 occupied the first position in the tourist traffic in 1980 accounting for 12.8 percent of total arrivals as against 101,193 tourists (13.2 percent of the total) in 1979. This was followed by the USA with 78,608 nationals constituting 9.8 percent compared to 82,420 in 1979 (10.8 percent of the total). Other major

countries whose relative shares in the total traffic were significant included Sri Lanka (68,402 or 8.6 percent of the total), France (58,682 or 7.3 percent) and West Germany (54,736 or 6.9 percent.) The nationals of Japan, Italy, Malaysia, Canada and Saudi Arabia each contributed less than 4 percent of the total traffic during 1980. During the year, 30,575 Japanese, 29,002 Italians, 26,405 Malaysians, 23,783 Canadians and 23,525 Saudi Arabians came to India. Besides 303,949 nationals from other countries visited India in 1980.

In terms of absolute numbers, nationals of Sri Lanka registered a maximum increase of 7,139 or 11.7 percent during 1980 compared to last year. Nationals of France also recorded a substantial increase of 5,553 or 10.5 percent followed by Saudi Arabia 5,203 or 28.4 percent. Nationals of some other countries, namely West Germany, Malaysia, Italy, the UK, Switzerland, Thailand, Singapore, Iran and Tanzania also contributed towards the total increase witnessed during 1980. A considerable decline was, however, registered in respect of nationals of the USA (3,812 or 4.6 percent) and Australia (1,285 or 5.4 percent).

Analysis of tourist arrivals by the country of residence shows that Western Europe accounted for bulk of the total tourist traffic 303,208 (37.9 percent) followed by South Asia 128,926 (16.1 percent), North America 94,946 (11.9 percent), West Asia 85,239 (10.7 percent) and South East Asia 58,017 (7.3 percent).

Country-wise analysis indicates that the United Kingdom is traditionally the major tourist generating market with 89,392 tourists constituting 11.2 percent of the total followed by the USA (73,399 tourists or 9.2 percent), Sri Lanka (66,737 or 8.3 percent), France (58,426 or 7.3 percent), West Germany (54,332 or 6.8 percent), Japan (30,679 or 3.8 percent), Italy (20,108 or 3.6 percent), Saudi Arabia (27,104 or 3.4 percent), Malaysia (23,489 or 2.9 percent) and Australia (22,294 or 2.8 percent).

Programme of Forthcoming Participations in Trade Fairs/Exhibitions Abroad

- | | |
|--|------------------------------|
| 1. Ghent International Fair, Ghent
(Belgium) | September 12-27, 1981 |
| 2. Budapest International Autumn Fair,
(Consumer Goods), Budapest (Hungary) | September 18-27, 1981 |
| 3. Tehran International Fair,
Tehran (Iran) | Date to be Fixed |
| 4. Baghdad International Fair,
Baghdad (Iraq) | October 1-15, 1981 |
| 5. Indian Exhibition, Sydney (Australia) | October 6-9, 1981 |
| 6. Bucharest International Fair,
Bucharest, (Romania) | October 15-23, 1981 |
| 7. Pret-A-Porter Feminin (International)
Exhibition for Ladies Ready-to-Wear
Clothing, Paris, (France) | October 17-21, 1981 |
| 8. Santiago International Trade Fair-FISA'81,
Santiago (Chile) | October 29—November 15, 1981 |
| 9. Indian Exhibition, Nairobi, (Kenya) | March 12-21, 1982 |
| 10. Indian Exhibition, Bahrain | February, 1982 |
| 11. Cairo International Fair, Cairo
(Arab Republic of Egypt) | March, 1982 |
| 12. Indian Exhibition, Algiers, (Algeria) | May, 1982 |
| 13. Indian Exhibition, Kuala Lumpur
(Malaysia) | November, 1982 |
| 14. Indian Exhibition, London (UK) | November, 1982 |
| 15. Indian Exhibition, Mexico | May, 1983 |
| 16. Hannover International Fair, (FRG) | April, 1984 |
-

Further information can be obtained from the Manager (Exhibitions), Trade Fair
Authority of India, Pragati Maidan, New Delhi-110001.

FACILITIES FOR INTERNATIONAL EXHIBITORS AT INDIA INTERNATIONAL TRADE FAIR, 1981

Trade Fair Authority of India (TFAI) will organise India International Trade Fair 1981 (IITF '81) from November 14 to December 4, 1981 at Pragati Maidan, New Delhi. The main objective of the Fair is to promote international trade and encourage new investments in India as well as in third countries. The Fair will project India's allround progress in the fields of industry, agriculture, trade, science and technology. As many as 50 foreign Governments at the national level and more than 3,000 companies from India and abroad are expected to participate in the Fair.

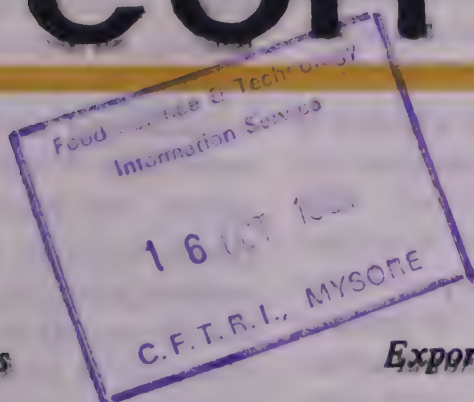
With a view to making foreign participation meaningful, a number of facilities are being provided to the international exhibitors for expeditious disposal of the exhibits displayed by them. These are listed below :—

- (1) Government of India have issued instructions to all Ministries and public sector undertakings that as far as possible, in regard to their import requirements, they should make their purchases from the goods that are displayed by international exhibitors at the Fair.
- (2) The capital goods requirements have been compiled in the form of booklet which is available with TFAI for reference of those foreign governments and firms who wish to participate in the Fair. This will facilitate the concerned Departments to make their selections and order for their purchases from the exhibit that are displayed at the Fair.
- (3) For expeditious disposal of exhibits that are displayed at the International Fair, Government of India have streamlined customs and licensing procedure as under :—
 - (a) Fair Quota to the maximum of Rs. 5 million in foreign exchange per exhibitor has been earmarked for disposal of the exhibits displayed at the Fair.
 - (b) In respect of capital goods upto a value of Rs. 1 million per item, Chief Controller of Imports and Exports (CCI and E) has simplified the licensing procedure to ensure that such licence are issued on the spot.
 - (c) In respect of items of the value of over Rs. 1 million, special meetings of the Capital Goods Committee (CGC) will be convened to ensure that these applications for import licences are disposed of expeditiously.
 - (d) Items falling under Open General Licence (OGL), and Indian importers holding licence for the items of their purchase, will be allowed direct purchases and clearance by the Customs located at Pragati Maidan.
 - (e) Customs and Chief Controller of Imports and Exports offices will be located at Pragati Maidan to facilitate expeditious clearance of goods.
 - (f) As an incentive for developing countries to participate in the Fair, following items of consumer goods which are otherwise banned for import into India, have been permitted for disposal by the developing countries participating in the Fair : handicrafts, garments, jute goods, toys other than electronics, cosmetics, house-hold goods other than electrical and electronics, ladies fashion wear, leather goods, glass-ware, dry fruits, and honey.
 - (g) International exhibitors have been allowed duty-free import of publicity and advertising materials for free distribution during the Fair.
 - (h) To make participation more attractive, several other relaxations in regard to customs and licensing regulations have been agreed to by the Government.

The licence fee will be Rs. 100 per square metre for open area and Rs. 400 per square metre for covered area. Foreign participants will, of course, be required to pay the fee in foreign exchange. Further details may be obtained from the Trade Fair Authority of India, Pragati Maidan, New Delhi-110 001.

65

economic and commercial news



News Highlights

IAAI Bags another Yemeni Contract

The International Airports Authority of India (IAAI) has been awarded a turn-key project of building an airport at Al Ghaidha in the People's Democratic Republic of Yemen. This will be IAAI's second airport project in that country. The first one was at Riyan. The Al Ghaidha airport project includes construction of a runway, taxi-tracks and other airfield pavement areas for the airport. Construction of the Rs. 220 million airport project at Riyan, which was awarded to IAAI earlier, is nearing completion.

Increase in Industrial Production

The index of industrial production for the first three months of the current financial year, i.e. April-June, 1981 records a growth of 11.1 percent over the corresponding period a year ago which is the highest ever achieved in any quarter in the recent past. Quick index of industrial production of June, 1981 has recorded a growth of 11 percent over June, 1980.

Export of Long Staple Cotton Allowed
The Government of India has decided to allow the export of 55,000 bales of

Export Performance and Potential

Substantial Increase in Agricultural Commodities Export

Agricultural commodities valued at Rs. 2,691.8 million were exported during the first quarter of 1981-82 (April-June) marking an increase of 35 percent over the export figure of Rs. 1,993 million recorded during the corresponding period of 1980-81.

The exports of Rs. 2,691.8 million also mark fulfillment of 23 percent of the export target of Rs. 12,080 million, fixed for agricultural commodities during 1981-82. The exports of these items during 1980-81, were worth Rs. 10,580 million which were well over the target of Rs. 9,350 million fixed for 1980-81.

The agricultural commodities which fared particularly well in the export market during the first quarter of the current financial year include cashew, tobacco, groundnuts extractions, cotton-seed extractions, shellac and processed food.

The exports of cashew in the first quarter of the current year has been recorded at 6,760 tonnes valued at Rs. 392.8 million with a unit value realisation of Rs. 58 per kilogram. The corresponding figure for the last year was 3,965 tonnes valued at Rs. 167 million with a unit value realisation of Rs. 42 per kilogram. This is in the context of a target of 32,000 tonnes valued at Rs. 1,450 million.

The exports of unmanufactured tobacco during the first quarter (April-June) of 1981-82 were 35,695 tonnes valued at Rs. 6,21.9 million compared

long and extra-long staple cotton. The exports will be done by the Cotton Corporation of India (CCI) and the State Co-operative Marketing Federation of Gujarat and Maharashtra. Of the total quantity, the Maharashtra State Co-operative Marketing Federation has been allocated an export quota of 25,000 bales, the Gujarat State Cotton Co-operative Marketing Federation 15,000 bales and the Cotton Corporation of India 15,000 bales.

Indian Seafoods at Anuga Fair

According to the Marine Products Export Development Authority (MPEDA), a cross-section of Indian marine products will be on display at the India Pavilion at the Anuga 81-World Food Market to be held at Cologne during October 10-15, 1981. The exhibits will consist of samples of frozen, canned and dried marine products—traditional as well as new ones. MPEDA is making elaborate arrangements for effective participation in the Anuga Food Fair. A number of important seafood packers from India are expected to be present at the MPEDA stand for negotiation of on-the-spot business.

Contents

Export Performance and Potential

Substantial Increase in Agricultural

Commodities Export

India at Ghent Fair

India's Growing Economic and Trade

Relations with Iraq

Indian Firm Bags Iraqi Contract

Indo-Hongkong Trade Trends

Boosting Tourist Traffic from Australia

Encouraging Transfer and Trading in

Technology

Industrial Growth and Diversification

NLC Records Big Increase in Output

Expansion of Telephone Industry at

Palghat

Standing Committees for Handlooms

and Handicrafts

New International Air Terminal

Complex at Delhi

Augmenting Irrigation Potential

Science and Technology

Promoting Use of Solar Energy

Dual Phase Steel from Rourkela

Bricks from Inferior Soils

Industrial Policy for Electronic Watches

to exports of 19,121 tonnes valued at Rs. 359 million during April-June 1980-81. Exports of tobacco products during the same period were 1,323 tonnes valued at Rs. 20.4 million compared to exports of 1,688 tonnes valued at Rs. 19.7 million during the corresponding period of 1980-81. The Tobacco Board has been asked to make special efforts towards pushing exports of tobacco products so as to achieve the target of Rs. 150 million fixed for tobacco products for 1981-82. It is hoped that the target of Rs. 1,500 million for tobacco and tobacco products for 1981-82 will be exceeded.

In spite of the problem of aflatoxin in U.K. both groundnut extractions and cotton-seed extractions have done better in the first quarter April-June 1981-82 as compared to the corresponding quarter of 1980-81. A quota of 500,000 tonnes of groundnut extractions had been released for exports, the first instalment of 200,000 tonnes having been released on April 10, 1981 and the second instalment of 300,000 tonnes on June 6, 1981. The performance in terms of value of export in respect of groundnut extractions in the first quarter has improved on account of increase in the unit value realisation from Rs. 19317 per tonne. Similarly, in respect of cotton-seed extractions, a ceiling of 2.25 tonnes has been released for export.

A total quota of 2,411 tonnes has been permitted for export of shellace. In addition, a quota of 500 tonnes of refuge lac was also allotted for exports. The export target for the current year has been fixed at Rs. 130 million. The total exports in the first quarter of the current year have been of the order of 3,192 tonnes valued at Rs. 45 million. This is in comparison

to 2,059 tonnes exported in the corresponding period last year valued at Rs. 2,201 million.

The export of processed food during the quarter April-June, 1981 has been estimated at Rs. 551.3 million as against Rs. 418 million, achieved during April-June, 1980.

India at Ghent Fair

Mr. Marc Eyskens, Prime Minister of Belgium, while inaugurating the 36th Ghent International Fair at Ghent, Belgium, on September 12 paid warm tributes to India's development in technical and economic fields which made India world's tenth industrial nation. The Belgian Premier made a special reference to India's achievements in education, which have enabled the country to produce experts in various fields working in many countries around the world. He emphasized that the vast potential for collaboration between India and Belgium was a very good example of cooperation based on the principle of interdependence of nations.

The inaugural ceremony was attended by a large number of dignitaries including the representative of the King of Belgium and the Ambassadors of a number of countries. The Prime Minister of Belgium was taken round India Pavilion beginning with a display of Indian folk art organized by the All India Handicrafts Board. The Prime Minister lit a traditional lamp to inaugurate the India Pavilion and showed special interest in the demonstrations by Indian master-craftsmen there. The Indian exhibition has been built around the theme 'New Face of India'. Nearly 100 well-known Indian firms are taking part

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this Journal.

displaying a wide range of goods such as bicycles, hand tools, scooters, refrigerators, kitchenware and other household appliances including electronic items etc.

The Ghent International Fair will continue upto 27th September, 1981, and India is participating in it as a 'Guest Country'. The participation has been organized by the Trade Fair Authority of India to project the country's industrial capacities and export potential in the consumer goods sector.

India's Growing Economic and Trade Relations with Iraq

With a view to further promoting India's existing trade and economic relations with Iraq and identifying new areas of mutual industrial and technical cooperation, India is participating in the Baghdad International Fair being held from October 1-15, 1981. This is India's 18th participation in this fair.

The participation seeks to project the country's many faceted progress and open new vistas for further bilateral cooperation. As many as 57 Indian parties are taking part in this fair displaying a wide spectrum of capital goods as also consumer items. India Pavilion will occupy a total area of 1,085 square metres, comprising covered area of 735 sq. metres and uncovered area of 350 sq. metres.

Iraq is an important trading partner of India. India's exports to Iraq comprise a host of items ranging from diesel engines and parts, automobile parts, bicycle parts, agricultural equipment, heavy industrial machinery, light engineering goods, minerals and

metals, textiles, readymade garments and food products, leather products, furniture and furnishings items, household equipment, electrical gadgets, chemicals and allied products, food and beverages, consumer durables, sports goods, heavy and light vehicle tyres and tubes to army software and technical consultancy. India imports from Iraq petroleum products, dates and sulphur. India's trade relations with Iraq are normally regulated under the trade plans concluded from time to time. The latest trade plan formulated in 1980, provides for exports of Indian goods to Iraq to the extent of US \$ 160 million. The plan also provides for import of essential raw materials like urea and sulphur from Iraq in increasing quantities.

The trade turnover between the two countries during 1978-79 and 1979-80 has been of the order of Rs. 6,302 million and Rs. 9,170 million respectively.

Besides the two-way growing trade exchanges, it is significant that India has been playing an important role in a number of development projects in Iraq. The total number of projects awarded to 44 Indian companies in Iraq comes to 62 valued at Rs. 18,000 million approximately. They relate to construction of railway lines, roads, bridges, houses, water and sewerage works, hotels, multistoreyed car parks, provision of technical services for ground water exploration and so on.

Among the major Iraqi contracts bagged by Indian companies, mention may be made of a high value contract bagged by the Indian Railway Construction Company (IRCOM) worth \$ 270

million against stiff international competition, for the construction of 30 route kms. (80 track kms.) of railway line near Samawa, 270 kms. south of Baghdad, with a new station at Samawa. The work also involves the construction of 85 bridges, including three major bridges on the river Euphrates, 410 staff quarters and service and workshop buildings. Yet another achievement for the Indian undertakings is the high-value contract worth \$ 56,530 won by the Water and Power Consultancy Services, (India) Limited. (WAPCOS) for providing technical services and ground water exploration in Iraq. Under the contract, WAPCOS will provide technical experts to work with Ground Water Development Authority (GWDA) of Iraq for one year.

The contract secured by Indian Tourism Development Corporation (ITDC) recently from State Organisation for Tourism, Iraq, (SOFT) is also worth mentioning. The project relates to construction of two hotels at Mosul and Doken. Both these projects are estimated to cost Rs. 342 million. Other major contracts relate to construction of 1,000 houses for Dujaila Agro-Industrial Complex, signed by M/s. Shah Construction Company, together with an Kuwaiti company, valued at Rs. 240 million approximately, water and sewerage project by M/s Continental Construction Company, in a joint venture with an Iraqi and British companies, Indian parties share being about Rs. 3,000 million.

Indian Firm Bags Iraqi Contract

Engineering Construction Corporation Limited (ECC), a subsidiary of M/s. Larsen and Toubro has been awarded a contract, valued at Rs. 400 million,

for the construction of police headquarters building in Baghdad by the State Organisation of Buildings, Ministry of Housing and Construction, Government of Iraq. ECC participated in this selective tender invitation to bid with other international construction companies. The building complex, designed by a prominent local architect, has a spread layout and basement with the main block rising to 12 floors. The contract is on a turnkey basis covering civil, electrical installation, air-conditioning, telephone, fire-detection, fire-fighting, sanitary and other special services. The building will have a facade of precast units.

The contract is to be completed within 30 months commencing from August 8, 1981. ECC is currently executing two other contracts in Iraq valued at Rs. 260 million.

Indo-Hong Kong Trade Trends

Hong Kong is an important trading partner of India. The two-way trade has been steadily growing over the years. It stood at Rs. 1,188.5 million during 1978-79 and was of the order of Rs. 1,027.9 million in 1979-80. During the first half of 1980-81 the trade amounted to Rs. 388.2 million. The major items of India's exports to Hong Kong are pearls, precious and semi-precious stones, including diamonds, non-metallic mineral manufactures, fruits and vegetables, chemicals and chemical preparations, textile yarn, fabrics, and made-up articles, iron and steel, machinery and transport equipment, marine products, machine tools and hand tools, power generating machines and leather and leather products. Items like cashew nuts, spices dyes, dyestuffs and sandal-

wood have established market in Hong Kong. India's main imports from Hong Kong are synthetic yarn, telecommunication equipment, electrical machinery and apparatus, printing material, metal scrap and watch parts. India has also two joint ventures projects with Hong Kong.

Boosting Tourist Traffic from Australia

India will soon offer a total package deal to attract large groups of tourists from Australia.

The package will include charter plane services from Australia, stay in hotels, road transport for city visits, air traffic from point to point within the country and return to Australia.

The total costs of this type of package are being worked out and the scheme is expected to be implemented during the current year.

This was stated by Dr. B. Venkataraman, Secretary, Union Ministry of Tourism and Civil Aviation at a meeting held recently in New Delhi between the Australian Trade Development Council Survey Mission to India and the officials of the Union Ministry of Tourism and Civil Aviation, Department of Tourism, India Tourism Development Corporation and Air India.

The Australian Mission was touring India to explore new avenues of expanding commercial relations between the two countries. When pointed out that the number of tourist arrivals from Australia to India has been declining, the members of the Australian Mission said that the decline was not confined to India

alone. It was a general trend. They explained that the Australian tourists were getting nervous because of the difficulties faced by them on transfer from aircraft to hotels and lack of surface travel facilities.

Dr. Venkataraman assured the Australians that package tours will take care of all these problems.

The Australians were also informed that the air fare between the two countries would soon be reduced by 30 percent when the air agreement signed between India and Australia on August 21 comes into force after ratification by the two Governments. This would help in a big way in boosting tourist traffic between the two countries.

The meeting was informed that Australians today were one of the world's biggest travellers. Of the total population of 14 million, over one million are estimated to have taken overseas trips during 1980.

Australia represents a vast potential tourist market for India. During the last decade (1971-80), tourist arrivals from Australia more than doubled from 10,936 in 1971 to 22,630 in 1980. During the first five months of 1981, tourist arrivals from Australia totalled 8,600 as against 9,355 during the corresponding period of the previous year recording a decline of 8 percent.

The meeting was also informed that the considerable potential of stop-over traffic going from Australia to Europe would henceforth be fully utilised in India. The potential for developing charter traffic particularly of Australian students will also be explored. More direct marketing

methods will also be adopted to boost the traffic.

Encouraging Transfer and Trading in Technology

Union Minister of State for Science and Technology and Electronics, Mr. C.P.N. Singh has piloted a move to set up a dedicated cell in the Department of Science and Technology (DST) for giving implementation momentum to transfer and trading in technology. The cell in DST will coordinate the integrated approach to technology transfer and trade as well as monitor and steer individual cases in coordination with other concerned Ministries.

The step has been taken in view of the fact that India is increasingly being sought after by other developing countries for technology transfer—a concept which India got accepted internationally by taking the lead in international forums for Technology Cooperation for Developing Countries (TCDC).

The types of technologies that can be offered include : agro-based industries; forest-based industries; phytochemical projects; waste utilisation processes; food processing industries; leather tanning and leather chemicals; agro-chemicals, pesticides and insecticides; chemicals based on coal carbonisation and by-products; benzene, toluene and xylene-based chemicals; drugs and intermediates; mini cement plants; mini paper projects; small tractors and machine tools; consumer products and rural-based projects.

Although the entire developing world is a potential buyer of Indian technologies, the countries which could be

considered definite areas for active campaigning include; Latin American countries, some African countries like Zambia, Tanzania, Kenya, Nigeria, Uganda and Sudan; Sri Lanka, Bangladesh, Nepal, Philippines, Malaysia, Singapore, Hong Kong, Fiji and some Middle East countries.

The National Research and Development Corporation (NRDC), which is engaged in the development of technologies, has so far successfully exploited 203 technologies and these can be transferred to other countries. In addition, technologies available with public sector undertakings, private sector organisations and organisations like KVIC can also be transferred. In extraordinary cases, research work can even be organised in the National laboratories of India and transferred to the country which requests for such R&D work.

The Technology Bank established by the NRDC enlists not only the technologies developed in India but also from other countries so that a proper choice of suitable technologies to suit the client's requirements can be made.

In the last few years, the NRDC has established institutional linkages with as many as 90 institutions in 42 countries. NRDC will soon be completing 21 projects worth about Rs. 22 million in Burma under the ITEC Programme of the Government of India. Many of these projects are turnkey projects. Since the proposed cell would need the continuous assistance of the Ministry of External Affairs through its various Embassies and special promotional cells abroad, it has been proposed to locate a Technical Adviser in the Ministry of External Affairs for

the entire coordination from the scientific and technical angle.

The exercise will be oriented towards promoting appropriate climate for more beneficial and sustaining South-South interaction as South North dialogue in world bodies has reached a dead end.

It has also been recommended that the call should be so oriented as to upgrade coordination between concerned departments and organizations and not an overcentralised controlling structure. It should only be a coordinating, monitoring, steering and promotional body for matters concerning transfer and trading of technology.

Industrial Growth and Diversification

NLC Records Big Increase in Output

The Neyveli Lignite Corporation (NLC), under the Union Ministry of Energy, has continued to maintain a high rate of growth. During the first four months of the current financial year, (April-July 1981), the output of various items produced by the Corporation namely, lignite, urea, leco and power has recorded a substantial increase over the corresponding period last year. The production targets fixed for these four months have also been exceeded.

During this period, the Corporation produced 2 million tonnes of lignite as against 1.50 million tonnes produced during these four months last year marking an increase of over 29 per cent. The production target of 1.84

million tonnes was also exceeded. In case of leco, a smokeless fuel for domestic and commercial consumers, the production of 38,000 tonnes has also exceeded the target, and crossed last year's production level by over 200 percent. The production of urea also went up substantially both in regard to the target and the output during the four months of the last year.

During these four months, NLC produced 1,262 million units of power as against a generation of 1,126 million units during the corresponding period last year, recording an increase of 12 percent, and exceeded the target by 7.3 percent.

The plant load factor of the thermal station at Neyveli has been maintained at a satisfactory level and continues to be among the highest for thermal stations in the country.

In view of the excellent performance during these four months, the Corporation is confident of substantially exceeding the target set for 1981-82.

In order to cater to the rising power demand in the Southern region, Government have sanctioned the opening of a second mine in Neyveli with a capacity of 4.7 million tonne of lignite per annum and a second thermal power station with a capacity of 630 MW. NLC is taking all possible steps to implement these projects within the stipulated time frame.

With the commissioning of the second thermal station at Neyveli, the power requirements of the Southern region would be substantially met and this would foster the all round growth, industrial as well as agricultural, of the region.

Expansion of Telephone Industry at Palghat

The Government have approved a project for augmenting the present manufacturing capacity of 10,000 equivalent lines per annum of small electronic exchanges of the Palghat unit of the Indian Telephone Industries Limited, to 150,000 equivalent lines per annum through manufacture of electronic trunk automatic exchanges, private automatic exchanges and rural automatic exchanges, at an estimated capital cost of Rs. 159.5 million including foreign component of Rs. 79.9 million. This information was given by Mr. C.M. Stephen, Union Minister for Communications in the Lok Sabha recently.

The Minister further said that orders for three electronic exchanges of 10,000 telephone lines each for use in Bombay, Delhi and Calcutta telephone networks have already been placed. Plans are being finalised for import of 475,000 lines of various sizes of electronic telephone exchanges during the rest of the current Plan period.

Standing Committees for Handlooms and Handicrafts

The All India Handlooms and Handicrafts Board (AIHB) has decided to constitute Standing Committees to deal with handlooms, handicrafts, design and technology consisting of the experts in the field to deal with specific problems.

This is one of the major decisions taken during its first meeting which was held at New Delhi recently under the Chairmanship of Mr. Pranab Mukherjee, Union Commerce Minister.

The meeting was attended, among others, by Mr. Darbara Singh, Chief Minister, Punjab and the Ministers incharge of handicrafts and handlooms from many States of India.

The detailed discussions covered yarn price and availability of yarn for the handloom sector. The Commerce Minister announced that additional spindle capacity of 2.1 million would be created during the Sixth Plan period. He also said that 625,000 additional spindles will be set up in the weavers cooperative sector. A provision of Rs. 320 million has been made in the Sixth Plan specifically for the weavers cooperative spinning mills. To meet the immediate needs of the handloom industry 30,000 bales out of 100,000 bales of cotton being imported from Pakistan had been allotted to the handloom industry.

On the question of hand yarn being 30 percent more expensive than the cost of self-consumed yarn by the composite mills, it was announced that a Committee headed by Development Commissioner for Handlooms would be looking into the differential cost of production between the mill, powerloom and the handlooms sectors and the measures necessary to protect the handloom sector from unfair competition.

The Board decided to take immediate measures to improve the flow of working capital finance to the cooperative sector and also to initiate measures for meeting the financial needs of the non-cooperative handloom sector at concessional rates.

The controlled cloth production pro-

gramme in the handloom sector has become a very popular scheme. Its production increased from 10 million metres in 1975-76 to 295 million metres in 1980-81. Controlled cloth production in the handloom sector will progressively increase during the Sixth Plan period. It was also decided to produce controlled cloth in the woollen handloom sector to meet the needs of States like Himachal Pradesh, Jammu and Kashmir, etc. Special steps would also be taken to increase controlled cloth production in the handloom sector in the North-Eastern States.

It was announced that rebate for handloom sale which was at present available for 30 days for retail sales only at the rate of 20 percent would also be extended to whole sale sales at the rate of 15 percent. The cost of the subsidy will be shared equally by the Centre and the States.

The marketing arrangements for handloom products particularly in cities like Delhi, Bombay, Calcutta, Madras was reviewed. It was decided that handloom emporia complex will be created in the metropolitan cities. A complex in Calcutta to assist the States of North-Eastern region was also considered absolutely necessary.

It was decided to establish an Institute of Handloom Technology exclusively for the benefit of the North-Eastern States. It was also decided to increase the intake capacity of the Institute of Handloom Technology at Varanasi and Salem by 50 percent.

Ten more Weavers' Service Centres will be set up during the Sixth Plan period all over India.

A special Committee will be set up to attend to the problems of the handicrafts and handlooms sector of North-Eastern States.

The Board took special note of the export performance of hand-Knotted carpet industry which has increased from hardly Rs. 60 million in the late sixties to Rs. 1,450 million last year. The problem facing the industry at present due to depreciation in the value of Deutsch Mark was discussed. The need to cultivate new markets particularly in the Latin American and the Middle Eastern markets was emphasised. It was also decided to expedite the setting up of the Institute of Carpet Technology at Bhadohi in Eastern U.P.

New International Air Terminal Complex at Delhi

Construction work on the Rs.640-million new international terminal complex at Delhi airport is progressing according to the time schedule.

Contracts for construction of the cargo complex, parallel taxi-track, cargo apron and approach road have already been awarded. The work on the 25 percent portion of the complex, is in progress. This Complex is expected to be completed by 1985.

Covering an area of 1,500 acres, the project includes construction of a terminal building for handling 3.5 million passengers a year, a cargo facility for handling 60,000 tonnes of import and export cargo, a parallel taxi-track and apron for parking 16 aircraft, approach road and car parks.

The design of the terminal building has been finalised. The contract for its construction is being awarded shortly. Construction of the Rs. 120 million terminal building and the apron will begin in November this year.

The terminal building with 3.5 million

passenger handling capacity will be used for international passenger handling. When completed in 1985, the present building at Delhi airport will handle domestic traffic alone.

The terminal building design provides for aerobridges to be installed. There will be escalators for changing levels. Sophisticated baggage handling will be provided. All the equipment, including air-conditioning will cost Rs. 220 million.

The Rs. 45 million cargo terminal on which the work is in progress will handle 60,000 tonnes of cargo annually. It will be a multiple-occupancy terminal, handling both import and export cargo. The various regulatory agencies for clearance of cargo will be located in the building.

The Delhi Cargo Complex will be the first in India to provide mechanised cargo handling facility. Palletisation, packing, weighing and stacking will be handled mechanically with the help of sophisticated equipment. It will cost about Rs.20 million to mechanise the various operations.

Work is also in progress on the Rs. 80 million parallel taxi-track to run the entire length of the runway of 3,800 metres and connected to the new apron with a capacity for parking 16 aircraft. The taxi-links will be provided and also a cargo apron.

The 1 km. approach road for the new terminal from Gurgaon road is now under construction. The Rs. 80 million project will provide a dual carriage-way. It is planned later for a six-lane road.

The total road-way system for the complex and the diversion from the Gurgaon road will cost Rs. 2 million.

Augmenting Irrigation Potential

Irrigation facilities to an additional area of 13.7 million hectares will be extended during the Sixth Five Year Plan with an outlay of over Rs. 111,140 million. The approved outlay for the current financial year is Rs. 18,320 million and the target of additional irrigation potential is 2.67 million hectares. The anticipated expenditure in 1980-81 was Rs. 16,300 million and the anticipated additional irrigation potential was 2.44 million hectares.

This information was given by Mr. Z. R. Ansari, Union Minister of State for Irrigation recently in the Lok Sabha. He further added that the allocation for irrigation during the Fifth Five Year Plan was Rs. 30,730 million and the cumulative irrigation potential was 52.1 million hectares. The allocation for various plans and cumulative irrigation potential (in brackets) is as follows :

First Plan (1951-56) Rs. 4,560 million including Rs. 800 million incurred during the pre-plan period, (26.2 million hectares); Second Plan (1956-61) Rs. 5,220 million, (29.1 million hectares); Third Plan (1961-66) Rs. 9,090 million, (33.6 million hectares); Fourth Plan (1969-74) Rs. 17,500 million (44.2 million hectares); and Fifth Plan (1974-78) Rs. 30,730 million (52.1 million hectares).

Science and Technology

Promoting Use of Solar Energy

As part of the programme to promote the use of solar energy, Government of India has supported the development and evaluation of technology for solar pumping. Central Electronics Limited (CEL), a public sector undertaking under the Union Department of

Science and Technology, has developed a 1/3rd H.P. pump which can deliver 30,000 to 40,000 litres of water per day under bright sunshine conditions. The electricity needed to operate the pump is generated by photovoltaic panels made by CEL.

A few such pumps have been installed for demonstration and evaluation. Additional locations have been identified in various parts of the country. A pre-commercial pilot-plant to produce photovoltaic modules at an annual rate of 1 MW by 1985 is to be set up by CEL during the Sixth Plan. About 75-80 percent of this production is likely to be used for irrigation or drinking water supply. Efforts are also underway to reduce the costs and improve the efficiency of the pumps. The Commission for Additional Sources of Energy is also supporting work on the development of a solar thermal water pump.

Solar photovoltaic pumps are being designed for use in areas where depth of ground water is upto 5 metres. In Arid Zones, where the depth may be more than 5 metres, a pump of higher rating will have to be designed for use.

This information was given in the Lok Sabha recently by Mr. C.P.N. Singh, Union Minister of State for Science and Technology, Electronics and Environment.

Dual Phase Steel From Rourkela

Rourkela Steel Plant in collaboration with the Research and Development Centre for Iron and Steel, Ranchi, has pioneered the development of Dual Phase Steel. This is one of the sophisticated grades of steel with distinctive feature of ferrite and martensite mixture resulting in unique tensile properties.

This steel possesses a unique combination of important mechanical properties which are particularly suitable for various automobile components by virtue of their typical microstructure. For every 100 kilogram reduction of weight in a truck, the country would save about 62.5 million litres of diesel oil per year. With its proper application this steel can lead to a weight reduction of about 25 to 27 percent in certain automobile components resulting in marked conservation of energy.

Bricks From Inferior Soils

For producing bricks, conforming to Indian Standards specifications, from inferior red murum and black soils of Ramagundam area of Andhra Pradesh, the Central Building Research Institute (CBRI), Roorkee, has worked out a new process. It consists in mixing with the soil 20-40 percent fly ash and 0.3-0.4 percent (by wt) of common salt, followed by firing in 1000-1020 degree centigrade, and docking.

The process has been adopted by local brick manufacturers, who have manufactured about 102 million bricks and are supplying them to the National Thermal Power Corporation Limited and other public and private undertakings for civil construction works. The Super Thermal Power Project at Ramagundam alone envisages a requirement of more than 100 million bricks for constructing a township in the area. The CBRI process has resulted in a saving of 2 tonnes of coal per 100,000 of bricks.

It is significant that whereas the traditional bricks of Ramagundam area have a poor strength of less than 25 kg/cm² and water absorption of 20-25 percent, show lime bursting, and

crack during firing, bricks manufactured in accordance with the CBRI process possess 60-90 kg/cm² strength and 12-15 percent water absorption, and do not develop shrinkage cracks.

Industrial Policy for Electronic Watches

The Government of India has decided that electronic watch production for the domestic market must be set up from the very beginning as a genuine industry. This means that even in the initial stages, when the four basic electronic components going into such a watch, viz. the large scale integrated semi-conductor circuit, the display, the special quartz watch crystal and the special battery will need to be imported. These components will be procured as discrete elements and assembled together to form the basic electronic watch module. The approach would be similar in regard to the cases in which the module is enclosed, and the mechanical piece parts involved in the finished watch.

Industrial approvals for the assembly of complete Digital Electronic Watches (DEW) would be issued to HMT, a suitable number of public sector companies of/floated by the State Electronics/Industrial Development Corporations which have applied, and an appropriate number of new small scale units having the necessary competence. This would be apart from the few units (in both large and small scale sectors) actually assembling DEWs today. The mechanical cases and piece parts for DEWs would be approved for manufacture only by HMT and another public sector company engaged in the

manufacture of mechanical watches and watch cases.

The electronic watch is a consumer durable of such character that its efficient marketing and more importantly technical after-sales-service, on a national basis, is of critical importance for protecting the consumer interest. This calls for considerable technical, managerial, organisational and financial capacity. The marketing and after-sales-service of DEWs, would, therefore, be undertaken only by Hindustan Machine Tools Limited (HMT) and the public sector companies of State Electronics/Industrial Development Corporations apart from the existing DEW assembling units. DEWs assembled by the new small scale units to be approved, would be marketed and serviced by HMT or any of the State Corporations, based on tie-ups to be promoted by the Department of Electronics.

None of the four basic electronic components needed to assemble electronic watches are made in the country today. All of them, except the special battery, are also needed for other electronic products with some variations. The increase in demand for these electronic components, which the setting up of electronic watch production as a genuine industry will generate, is an extremely important objective in the Government's overall decision to launch electronic watch production for the domestic market. However, if that demand boost for the country's electronic component industry is to be actually realised in practice, maximum standardisation of the watch components is essential. Only then will the market for each of these components be large enough and uniform

enough in terms of technical specifications/types, to make their local production techno-economically viable.

This standardisation would be ensured by the initial import of the complete electronic modules for DEW, and the subsequent import of the electronic components going into that module-large scale integrated (LSI) circuit, display, crystal etc. being canalised through the Semiconductor Complex Ltd. (SCL), and directly allotted by SCL to all DEW assemblers, including the units actually assembling DEWs on date.

Such direct allotment would be against registered actual user requirements subject to the maximum required to meet licensed/approved capacities, and uniformly at the import and associated duties specified in the Import Tariff during 1980-81 and onwards. However, approved DEW assemblers will be allowed to import directly such modules/components against REP licences earned by them through the export of digital electronic watches. After the initial import of complete electronic modules, SCL would undertake assembly and supply of the complete electronic module to all DEW manufacturers, with progressive indigenisation, of the LSI circuit by SCL itself, and display and the crystal by other public sector companies.

The units actually assembling DEWs today, will continue to market the watches assembled by them. During 1980-81, SCL supplied, through its canalised imports, the type of complete electronic module needed for watches those units are assembling today, or the individual electronic components in the case of those units already engaged in local assembly of

modules. From 1981-82, these units would get an increasing proportion of their requirements of electronic modules /LSI circuits from domestic supplies made by SCL. The same will be the case with the displays and crystals to be made by other public sector companies. Such residual imports as may be needed will continue to be supplied by SCL on a canalised basis. A similar phased change-over to domestic source of supply, viz., HMT or the other public sector company involved, will be effected by the Government in regard to the case and mechanical piece parts needed by these units.

The single point supply of electronic watch modules by SCL to all assemblers (including the units already engaged in such assembly) initially through canalised imports and progressively from local production, would be used by Government to implement a pricing policy for the finished DEW which would ensure that the mechanical watch industry is not affected by the introduction of the DEW. The difference between this price of the complete electronic module fixed on the basis of public policy, and the actual price based on normal commercial production by SCL, will be credited to the Consoli-

dated Fund of India.

As for analogue watches, i.e. watches which have a conventional dial, but where the normal watch movement is replaced by an LSI device and a quartz crystal, industrial licensing would be according to the general policy applicable to mechanical watches. However, the supply of the LSI device, the quartz crystal and the stepper motor, would also be directly allotted to all parties approved to make such watches, solely by SCL on a canalised basis as in the case of DEW and for the same reasons.

Read

ECONOMIC AND COMMERCIAL NEWS

to keep abreast of latest developments on

- EXPORT MARKETING
- INDUSTRIAL GROWTH
- SCIENTIFIC RESEARCH
- PRODUCT DEVELOPMENT
- QUALITY CONTROL ETC. ETC.

Single copy : 80 Paise

Annual Subscription : Rs. 40/-

Please send your subscription through crossed bank draft/Indian postal order in favour of "Trade Fair Authority of India", Pragati Maidan, New Delhi-110001.

Programme of Forthcoming Participations in Trade Fairs/Exhibitions Abroad

- | | |
|--|------------------------------|
| 1. Ghent International Fair, Ghent
(Belgium) | September 12-27, 1981 |
| 2. Budapest International Autumn Fair,
(Consumer Goods), Budapest (Hungary) | September 18-27, 1981 |
| 3. Tehran International Fair,
Tehran (Iran) | Date to be Fixed |
| 4. Baghdad International Fair,
Baghdad (Iraq) | October 1-15, 1981 |
| 5. Indian Exhibition, Sydney (Australia) | October 6-9, 1981 |
| 6. Bucharest International Fair,
Bucharest, (Romania) | October 15-23, 1981 |
| 7. Pret-A-Porter Feminin (International)
Exhibition for Ladies Ready-to-Wear
Clothing, Paris, (France) | October 17-21, 1981 |
| 8. Santiago International Trade Fair-FISA'81,
Santiago (Chile) | October 29—November 15, 1981 |
| 9. Indian Exhibition, Bahrain | February, 1982 |
| 10. Indian Exhibition, Nairobi, (Kenya) | March 12-21, 1982 |
| 11. Cairo International Fair, Cairo
(Arab Republic of Egypt) | March, 1982 |
| 12. Indian Exhibition, Algiers, (Algeria) | May, 1982 |
| 13. Indian Exhibition, Kuala Lumpur
(Malaysia) | November, 1982 |
| 14. Indian Exhibition, London (UK) | November, 1982 |
| 15. Indian Exhibition, Mexico | May, 1983 |
| 16. Hannover International Fair, (FRG) | April, 1984 |
-

Further information can be obtained from the Manager (Exhibitions), Trade Fair
Authority of India, Pragati Maidan, New Delhi-110001.

FACILITIES FOR INTERNATIONAL EXHIBITORS AT INDIA INTERNATIONAL TRADE FAIR, 1981

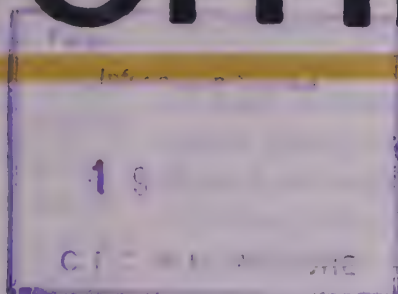
Trade Fair Authority of India (TFAI) will organise India International Trade Fair 1981 (IITF '81) from November 14 to December 4, 1981 at Pragati Maidan, New Delhi. The main objective of the Fair is to promote international trade and encourage new investments in India as well as in third countries. The Fair will project India's allround progress in the fields of industry, agriculture, trade, science and technology. As many as 50 foreign Governments at the national level and more than 3,000 companies from India and abroad are expected to participate in the Fair.

With a view to making foreign participation meaningful, a number of facilities are being provided to the international exhibitors for expeditious disposal of the exhibits displayed by them. These are listed below :—

- (1) Government of India have issued instructions to all Ministries and public sector undertakings that as far as possible, in regard to their import requirements, they should make their purchases from the goods that are displayed by international exhibitors at the Fair.
- (2) The capital goods requirements have been compiled in the form of booklet which is available with TFAI for reference of those foreign governments and firms who wish to participate in the Fair. This will facilitate the concerned Departments to make their selections and order for their purchases from the exhibit that are displayed at the Fair.
- (3) For expeditious disposal of exhibits that are displayed at the International Fair, Government of India have streamlined customs and licensing procedure as under :—
 - (a) Fair Quota to the maximum of Rs. 5 million in foreign exchange per exhibitor has been earmarked for disposal of the exhibits displayed at the Fair.
 - (b) In respect of capital goods upto a value of Rs. 1 million per item, Chief Controller of Imports and Exports (CCI and E) has simplified the licensing procedure to ensure that such licence are issued on the spot.
 - (c) In respect of items of the value of over Rs. 1 million, special meetings of the Capital Goods Committee (CGC) will be convened to ensure that these applications for import licences are disposed of expeditiously.
 - (d) Items falling under Open General Licence (OGL), and Indian importers holding licence for the items of their purchase, will be allowed direct purchases and clearance by the Customs located at Pragati Maidan.
 - (e) Customs and Chief Controller of Imports and Exports offices will be located at Pragati Maidan to facilitate expeditious clearance of goods.
 - (f) As an incentive for developing countries to participate in the Fair, following items of consumer goods which are otherwise banned for import into India, have been permitted for disposal by the developing countries participating in the Fair : handicrafts, garments, jute goods, toys other than electronics, cosmetics, house-hold goods other than electrical and electronics, ladies fashion wear, leather goods, glass-ware, dry fruits, and honey.
 - (g) International exhibitors have been allowed duty-free import of publicity and advertising materials for free distribution during the Fair.
 - (h) To make participation more attractive, several other relaxations in regard to customs and licensing regulations have been agreed to by the Government.

The licence fee will be Rs. 100 per square metre for open area and Rs. 400 per square metre for covered area. Foreign participants will, of course, be required to pay the fee in foreign exchange. Further details may be obtained from the Trade Fair Authority of India, Pragati Maidan, New Delhi-110 001.

economic and commercial news



News Highlights

Substantial Business at India Pavilion in Ghent Fair

Business worth Rs. 28.5 million was transacted at India Pavilion set up in the 36th Ghent International Fair (Belgium). This includes business worth Rs. 8.5 million under active negotiation. Besides, a large number of trade enquiries were received which are likely to result in substantial additional business.

India's participation in the Fair was organised by the Trade Fair Authority of India. Nearly 100 firms took part in the event. Items which particularly attracted the visitors included jute yarn, silk carpets, carpet backing cloth, hand-tools, jute bags, pillow and bed covers, rose-wood, glass-ware, garments, bicycles etc.

India to Participate in Bucharest Fair

The Trade Fair Authority of India, on behalf of the Union Ministry of Commerce, is organising India's participation in the Bucharest International Fair, 1981, scheduled to be held from October 15 to 23. The participation is on a symbolic scale, covering photo presentation, an audio-visual programme and an Information Counter. A Buyer-Seller Meet will also be orga-

Export Performance and Potential

All Out Efforts for Higher Exports Urged

Mr. Pranab Mukherjee, Union Minister of Commerce, Steel and Mines, has said that all out efforts should be made to achieve much higher levels of exports on the one hand and to reduce the country's dependence on imports on the other, by a greater measure of self-reliance.

He was speaking at the first meeting of the reconstituted Central Advisory Council on Trade held in New Delhi recently.

He urged that it was time to take advantage of the recent buoyancy and improvement in infrastructure in order to maximise production and exports. The general index of industrial production had gone up by about 12 percent in the first quarter of the current year. During the same period, power generation had improved by 19.2 percent and the output of cement, saleable steel and nitrogenous fertilisers had shown striking improvement of 19.6 percent, 27.7 percent and 65.3 percent-respectively. The production of aluminium had also shown a welcome increase of 43 percent during this quarter. There had also been an improvement in labour relations. He hoped that the EXIM Bank would also start operating in the near future and felt that all these factors should contribute to a comparatively higher level of performance in the economy as a whole.

The Minister reminded the Council of the severe constraints that developing countries had to face. The international environment for trade had been severely affected by the growing balance of payments difficulties

nised during the Fair. India's participation in the Fair is expected to result in further expansion of trade and economic relations between the two countries.

Record Export of Cashew

Exports of cashew kernels from India earned a record Rs. 298.3 million during July, 1981 as against Rs. 267.2 million in July, 1980, according to the Cashew Export Promotion Council, Cochin. Total exports during April-July 1981 almost doubled to Rs. 820.5 million from the export level of Rs. 434.5 million in the corresponding period of 1980.

Uptrend in Indo-Japanese Trade

The two-way trade between India and Japan rose to US \$ 705 million during April-July, 1981 from US\$ 597 million during the corresponding period last year, registering an increase of 18.1 percent. India's exports to Japan during the period under review in 1981 went upto US \$ 363 million from US\$ 344 in 1980 showing an increase of 5.5 percent, while imports from that country increased at a higher rate of 35.2 percent, from US\$ 253 million in 1980 to 342 million in 1981. These statistics are based on a Quick Report of the Japanese Ministry of Finance, says an economic report of the Embassy of India, Tokyo.

Contents

Export Performance and Potential	
All out Efforts for Higher Exports Urged	1
Institute of Fashion and Design for Promoting Garment Exports	2
Record Shrimps Exports to Japan	3
Transfer of Technology to Burma	4
HEC's Export Achievements	4
Foreign Tourists to Pay Hotel Bills in Foreign Currencies	4
Import of Goods for IX Asian Games, 1982	5
Industrial Growth and Diversification	
Increased Cement Production by CCI Plants	5
Improved Performance of Public Sector	6
Exploration Work by ONGC and OIL	6
Modernisation of Telecom Factories	7
Transport Development Council Meets	7
Augmenting Rabi Production	8
Major Rural Reconstruction Programmes	9
Growing Indo-USSR Trade Relations	9

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this Journal.

of oil importing countries. Added to these, were the protectionist policies followed by developed countries. The export markets had also become highly competitive. He said that the country's export production and management techniques had, therefore, to keep pace with the advanced techniques adopted by other exporting countries.

Mr. Mukherjee said that in these efforts, both government and the industry had to work in close cooperation. He said that government had initiated a number of measures aimed at strengthening production base for exports. The Import and Export Policies had been designed to meet all essential requirements of the economy and to provide a further impetus to our exports. The Import Policy for 1981-82 reflects a balanced approach to the needs of the economy. At the same time, taking advantage of higher indigenous production in various sectors and for fuller utilisation of installed capacity, a number of items had been taken out of Open General Licence. He said that special care had been taken to assist small scale industry in securing adequate input support. Facilities for setting up of 100 percent export-oriented units, duty-free import of inputs for export production and introduction of the scheme of 'Trading Houses' were some of the important features of the country to help export drive. In order to build up an enduring relationship between Export Houses and their supporting manufacturers, particularly those in the small and cottage sectors, a new dimension had been given to the policy by assigning a greater rate to the Export Houses and Small Indus-

tries Corporations of State Governments in the import and distribution of certain raw materials, he added.

The Minister informed the Council that the country was faced with a difficult situation arising out of an increasing foreign trade gap. The provisional figures of exports for 1980-81 stand at Rs. 67,040 million and imports at Rs. 123,300 million. It was expected that the final tally may reach Rs. 71,000 million, while imports may touch Rs. 126,000 million. In any case, there was bound to be a substantial deficit of the order of Rs. 55,000 million. While a large number of commodities registered an increase during the year, there was a considerable set-back in the export of items like sugar, leather and leather-manufactures, marine products and spices. On the import side, there had been a substantial rise following a steep escalation in the world prices of petroleum products and fertilisers, and higher bill on imports of essential items such as non-ferrous metals, edible oils, cement etc.

He said that this was time for the country to make concerted efforts and to achieve a break-through, specially on the export front.

Institute of Fashion and Design for Promoting Garment Exports

The Government of India is considering a proposal to set up an Institute of Fashion and Design for boosting India's exports of readymade gar-

ments. This was said by the Union Minister of Commerce, Steel and Mines, Mr. Pranab Mukherjee, while inaugurating Indian Garments Fair 1981, at New Delhi, recently.

The Minister pointed out that in the fast changing world of fashion, it was necessary for the country to have adequate institutional arrangements for forecasting and monitoring fashion and colour trends and conduct research in the field. He said that the issue of setting up an Institute of Fashion and Design was being actively considered and it was expected that this project would take shape at an early date.

Mr. Mukherjee said that the record rise in exports of garments from about Rs. 120 million in 1971-72 to a targetted figure of Rs. 5,400 million in 1981-82, sounded like a success story. What was more, the industry achieved this impressive growth practically all by itself, drawing upon domestic resources, Indian folklore and tradition and entrepreneurship. It was expected that even the export target for 1981-82 would be exceeded substantially, he added.

The Minister, however, warned the garment exporters about certain disquietening trends which they would have to face in the coming years. Analysing these trends, he pointed out that in the first place, the access to markets, especially in Europe and USA, might not be an ever expanding one. Notwithstanding the hopes generated by talks on a New Economic Order and a detente in North-South dialogue, there seemed to be a basic mismatch of perceptions between the North and the South on allowing

increased access to exports from the developing countries, especially in the field of textiles. Protectionism, in some form or the other, had become a way of economic life with most of developed countries and this was likely to influence the future course of trade in textile and textile products, he added.

In this context, Mr. Mukherjee stressed the need for diversifying into new products and new markets for increasing garment exports. He expressed satisfaction that exports of garments to non-quota countries had also registered a substantial increase recently. He pointed out that the world outside of quota countries offered a vast market for Indian textile products, and there was urgent need to systematically explore and cultivate these potential markets. Each country had its own demand pattern and India would have to cater to specific tastes and requirements of that country. The need for country's specific market surveys followed by displays specifically catering to local requirements and buyer-seller meets could not be over-emphasized, he said.

The Minister said that during the last one year the Governments had taken a series of steps designed to give a pronounced export slant to the textile industry. The textile policy announced by the Government in March 1981 not only mentioned growth in export of textiles as an objective of the policy but also provided a pragmatic framework within which to achieve this aim. Sustained modernisation in the industry, multi-fibre approach, defreeze of weaving capacity for export units and aggressive export promotion are some of the elements of this new thrust.

The Government had also tried to translate this approach into practice through the liberalised import policy, 100 percent export-oriented units scheme and the quota distribution policy, he said.

Record Shrimps Exports to Japan

India continues to maintain her status as the single largest supplier of frozen shrimps to the Japanese market. The last financial year, April 1980-March 1981, was yet another year of record exports. According to the Marine Products Export Development Authority (MPEDA), Indian shrimps exports to Japan during this period were of the order of 38,620 tonnes as against the previous peak of 36,279 tonnes recorded in 1978-79.

Japanese import of frozen shrimps from all sources during 1980 aggregated 149,552 tonnes, of which India's share was 37,515 tonnes or 25.08 percent. In other words, one out of every four shrimps imported into Japan was from India.

The bilateral trade between India and Japan has almost doubled during the last six years from the level of US \$ 110 million in 1975 to US \$ 1,900 million in 1980. Earnings from shrimps exports alone registered a 120-percent increase during the six year period from US \$ 85 million in 1975 to US \$ 188 million in 1980.

India also continues to be the world's largest producer and exporter of froglegs. Exports of frozen froglegs from India rose to as high as 3,452 tonnes during 1980-81 (April-March) as against 2,926 tonnes exported during 1979-80. West European region

Vol. XI. No. 41. 3
Oct 1981

continued to be the principal market for Indian froglegs. For the second year in succession the Netherlands emerged as the largest buyer of Indian froglegs. The other major buyers were France, USA, Belgium, Federal Republic of Germany, the UK, Italy and Switzerland. Price advantage and growing popularity were the two factors mainly responsible for the substantial increase in demand for Indian froglegs in Western Europe.

Transfer of Technology to Burma

According to the Regional Research Laboratory, Jammu (RRL), it has successfully commissioned a Diosgenin-Progesterone plant costing Rs. 1.5 million at Hmaw Bi near Rangoon. This project was executed by RRL on turnkey basis under ITEC programme of Government of India at the instance of National Research Development Corporation of India, New Delhi. The project was handled from drawing board stage to commissioning by the Chemical Engineering and Design Division of RRL. The Laboratory also trained Burmese scientists and engineers in setting up and operation of the plant.

The diosgenin plant consists of pretreatment, hydrolysis, extraction, isolation and purification of diosgenin units conforming to Indian, B.S. and TEMA standards and suitable for processing various diosgenin bearing raw materials.

The scientists of Central Research Organisation, Burma, have expressed happiness over the design and execution of the project.

RRL has handled two similar jobs in India as well. One of these is for

Cinchona Department, Udagamandalam, Tamil Nadu (capacity 750 Kg of raw material per batch) and the other is for Directorate of Cinchona and other Medicinal Plants, Mungpoo, West Bengal (capacity 1,500 Kg of raw material per batch).

HEC's Export Achievements

Export of heavy and sophisticated equipment, so long a close preserve of a few countries, by the public sector undertaking, Heavy Engineering Corporation (HEC), presents a heartening picture, says a recent issue of HEC NEWS.

Of the fifty slag ladles for ARE, HEC exported thirty-one including the two loaded on June 7 at the Kidderpore Docks of the Calcutta Port in the presence of a distinguished gathering.

It was in July, 1977 that HEC exported, for the first time, electrolyzers to Yugoslavia. From such comparatively simple technological structural, HEC is now exporting heavy and sophisticated equipment, notably 200-tonne coke pusher and 81-tonne coal charging car for Turkey; 55-tonne coke quenching car for ARE; 180-tonne ladle cranes for Bulgaria and Hungary; 450-tonne Bridge reloaders with a span of 68 metre for Cuba; heavy duty forged rolls, 19 tonne steel castings for mill-head, equipment for coke oven batteries and sintering plants for the Soviet Union and tyres and kiln for a cement plant in Bangladesh.

HEC has so far exported equipment worth nearly Rs. 260 million. HEC is still to execute export orders worth Rs. 450 million. Another order worth about Rs. 350 million from the Soviet Union is likely to be finalised this year.

The sturdy quality and dependable performance of HEC's products is bringing in many repeat orders. HEC equipment is operating to the full satisfaction of its users in various parts of the world—the Soviet Union, Yugoslavia, Hungary, Bulgaria, Turkey, ARE, Cuba and Sri Lanka.

During 1980-81 exports totalled over Rs. 125 million as against 41.6 million in 1979-80. This year equipment worth Rs. 260 million would be manufactured for exports.

Progress of shipment of the Corporation's equipment is equally impressive. From an achievement of Rs. 35.56 million in the first half of 1980-81 and Rs. 55.18 million in the second half of the year, it reached Rs. 46.33 million during the first quarter of 1981-82 (April-June).

Foreign Tourists to Pay Hotel Bills in Foreign Currencies

By a notification, the Government of India have directed that every foreign national, who is on a visit to India, shall make payment to a hotel where he stays in specified foreign currencies for discharging his liabilities by way of lodging, boarding and service charges.

The foreign currencies specified for this purpose are (i) Australian dollar, (ii) Austrian shilling, (iii) Bahrain dinar, (iv) Belgian franc, (v) Canadian dollar, (vi) Danish Kroner, (vii) Deutsche mark, (viii) French franc, (ix) Hongkong dollar, (x) Iranian riyal, (xi) Iraqi dinar, (xii) Italian lira, (xiii) Japanese yen, (xiv) Kuwaiti dinar, (xv) Malaysian dollar, (xvi) Netherlands guilder, (xvii) Norwegian kroner, (xviii) Omani riyal,

(xix) Pound sterling (xx) Qatari riyal, (xxi) Saudi Arabian riyal, (xxii) Singapore dollar, (xxiii) Swedish kroner, (xxiv) Swiss franc, (xxv) US dollar and (xxvi) UAE dirham.

By another notification, issued simultaneously, the Government of India have exempted certain classes of persons from the operation of the above provision. The exempted categories are : (1) Nationals of Bhutan, Czechoslovakia, German Democratic Republic, Nepal, Poland, Romania and USSR : (2) Foreign nationals on a visit to India at the invitation of the Central Government, a State Government, a fully owned undertaking or Corporation of the Central Government or of a State Government : (3) Foreign nationals on a visit to India at the invitation of any person resident in India if payment is made on behalf of the foreign nationals by the person extending the invitation provided the general or special permission has been obtained by such person from the Reserve Bank of India for making the payment; (4) Foreign nationals on a visit to India if payment is made by an airline or travel agent in either case holding licence granted by the Reserve Bank under section 32 of the said Act and such payment is accompanied by a certificate from the airline or travel agent confirming that the payment is made out of rupee funds provided by sale of foreign exchange by the airline or travel agent to an authorised dealer in India; (5) Accredited Diplomats and foreign employees of Diplomatic Missions and foreign official guests of diplomatic Missions in India, including offices of United Nations and other international organisations; (6) Foreign

nationals employed in India; (7) Employees of shipping companies, and airlines, their flying crew, their inter-line passengers and the transit passengers who have to be accommodated at the expense of such airline companies under the IATA regulations; (8) Foreign students studying in India on Government of India scholarships and (9) Foreign guests of all exporters enjoying blanket permit facility granted by Reserve Bank of India.

Import of Goods for IX Asian Games 1982

The Government of India has decided that goods imported into India in connection with the Conduct of the IX Asian Games 1982 or for training of Indian competitors, will be exempt from import control restrictions, provided such imports are also exempted from payment of Customs duty vide Notification issued by the Union Ministry of Finance on August 25, 1981.

Exemption from import control restrictions shall be subject to the same conditions on which exemption has been given from payment of Customs duty in the aforesaid Notification. Goods which are allowed to be imported subject to re-export condition, as laid down in the Notification of the Ministry of Finance, dated August 25, 1981, but which are not thus re-exported, will not be allowed to be disposed of in India except with the prior permission of the Chief Controller of Imports and Exports.

Industrial Growth and Diversification

Increased Cement Production by CCI Plants

The Cement Corporation of India

(CCI) has achieved capacity utilisation of 89 percent in its four operating plants—total production being 71,969 tonnes—during August, 1981 against all—India average of about 73 percent by the cement industry in general. On this excellent performance, Mr. N. D. Tiwari, Union Minister for Industry and Labour, has sent a congratulatory letter to CCI.

In spite of difficult locations and exacting working conditions of its plants at Rajban (Himachal Pradesh) and Bokajan (Assam), CCI is set to achieve 100 percent capacity utilisation in these plants during the current quarter (Rajban 49408 tonnes—previous quarter 42908 tonnes—Bokajan 49,800 : tonnes—previous quarter 39600 tonnes). Kurkunta (Karnataka) is also set to achieve 100 percent capacity utilisation (49,800 tonnes—previous quarter 21,451 tonnes), and its oldest plant at Mandhar (Madhya Pradesh) is also set to achieve 115 percent capacity utilisation during the current month (38,600 tonnes—previous month 20,184 tonnes).

CCI has presently operating plants located at Mandhar, Madhya Pradesh (capacity : 380,000 tonnes), Kurkunta, Karnataka (capacity : 200,000 tonnes), Bokajan, Assam (capacity : 200,000 tonnes) and Akaltara, Madhya Pradesh (capacity : 400,000 tonnes). Akaltara unit has gone into production only this year. Two plants are under trial runs at Nayagaon, Madhya Pradesh (capacity : 400,000 tonnes) and Yerraguntla, Andhra Pradesh (capacity : 400,000 tonnes). Charkhi Dadri which has recently been handed over to CCI has started trial runs and two projects, namely, Adilabad, Andhra Pradesh (capacity : 400,000 tonnes) and Tandur

Andhra Pradesh (capacity : 1 million tonnes) are under execution.

The Cement Corporation has also earned a profit of about Rs. 7 million during the current financial year as compared to the profit of Rs. 3.906 million during 1980-81.

Even Akaltara Unit of the Corporation which went into production this year has shown profit. Charkhi Dadri Unit which was handed over to CCI in the last week of June after remaining closed for 15 months has been revamped in a record time of about two months. It has already started grinding cement, utilizing clinker brought from another unit of the Corporation.

CCI has also developed a very strong consultancy division for undertaking cement projects on turn-key basis from concept to commissioning. Adilabad and Tandur projects are being handled by the Division resulting in a saving of over Rs. 25 million in consultancy fee. CCI has started its main thrust on energy conservation and cost consciousness. Standard norms for consumption of power, coal, consumables etc. have been laid and close monitoring of the performance in relation to them is being done.

Improved Performance of Public Sector

A majority of public sector enterprises are presently operating at reasonably high levels of capacity utilisation as a result of a number of measures taken to improve the performance levels of the public enterprises. This was stated by Mr. Sawai Singh Sisodia, Union Minister of State for Finance, in Rajya Sabha recently.

The Minister said that the Government has taken the following major steps to improve the performance of the Public Enterprises :

- (i) Government at the highest level monitors the performance of enterprises providing infrastructural facilities like transportation, power, basic raw materials etc. with a view to improving their output;
- (ii) injection of additional investment in balancing facilities and captive power plants wherever required;
- (iii) improving the utilisation of existing generating capacity in the power plants for which task forces were set up to suggest measures;
- (iv) an Expert Committee has been set up to examine the performance of selected enterprises in the critical sectors and suggest measures for improving operating results;
- (v) regular performance review is carried out by the administrative Ministries through quarterly performance review meetings in respect of individual enterprises with a view to taking remedial action where necessary;
- (vi) improving the selection and appraisal of managerial personnel as well as timely filling up of top vacancies; and
- (vii) improving workers participation so as to increase productivity and production.

Exploration Work by ONGC and OIL

The Union Minister for Petroleum, Chemicals and Fertilisers, Mr. P. C. Sethi, told Rajya Sabha recently that between January and July 1981, the oil and Natural Gas Commission (ONGC) discovered oil and gas in some onshore structures in Gujarat and also in three off-shore structures, while Oil India Ltd. (OIL) found oil in one structure in Assam.

The Minister said that during the first eight months of the current year, oil and gas were found in Lohar structure in Gujarat, gas at Kudara in Gujarat and oil for the first time in Sisodra in Gujarat.

The Oil and Natural Gas Commission did not find any oil in any onshore area during 1980 but gas was discovered at Dahej in Gujarat.

In offshore, areas, oil was discovered in R-7, one of the Ratnagiri structures and in the Godavari offshore structure. Gas was discovered in the Andamans and Palk structures.

Mr. Sethi said that Oil India Ltd. had discovered oil in Bogapani structure near Duliajan in Assam in early 1981. The Minister said that the search for oil was on continuous process. The ONGC had, during 1980 and up to July 1981, carried out geo-scientific surveys in the States of Rajasthan, Uttar Pradesh, Himachal Pradesh, Jammu and Kashmir, Tripura, Bihar, Andhra Pradesh, Tamilnadu, Andaman Nicobar, Assam, West Bengal and Gujarat. Drilling operations had been conducted in the States of Gujarat, Assam, Tripura, West Bengal and Andhra Pradesh.

Mr. Sethi said that during 1980, besides 38 known structures, drilling was taken up in 8 new structures—Laxmanpura, Dangarwa, Mahi High, Panoli and Lohar in Gujarat, Halwating in Assam, Rokhia in Tripura and Razole in Andhra Pradesh.

Between January and July 1981, besides continuing drilling operations in 34 old structures, drilling on 10 new structures had already been taken up. These were Kudara, Langhnaj, Jakasana, Kherwa, Nadsa and Kolat in Gujarat, Napamua and Naharhabi in Assam, and Abhay and Jaguli in West Bengal.

In the off-shore areas, the Minister said, the ONGC drilled, besides Bombay High, in Ratnagiri, Pondicherry, Krishna-Godavari, Andamans, Shelf Margin in Bombay High area, Karaikkal and Palk Strait.

Oil India, during this period, worked on the Ningru Exploration Project in Arunachal Pradesh and on off-shore exploration in the Mahanadi Basin. OIL also worked on the development of Jorajan and contiguous areas in Assam.

Modernisation of Telecom Factories

A provision of Rs. 300 million has been made in the Sixth Five Year Plan for Telecommunication (Telecom) Factories of Post and Telegraphs (P & T) Department for modernisation of production methods and for expansion of manufacturing capacity for various items where the requirement of the P & T Department is in excess of the existing production capacity. Old machines are progressively being replaced. This information was given

by Mr. C.M. Stephen, Union Minister for Communications in the Lok Sabha recently.

The minister further said that the updating and improvement of the designs of various items is a continuous process and the P & T Telecommunication Factories collaborate with the Telecommunications Research Centre of the P & T Department or any other body for carrying out improvements in the designs. Lately, new R & D Units have been sanctioned for Telecom Factories at Bombay and Calcutta.

The telecom factories of the Department manufacture items such as line-material microwave towers, manual switch boards of variety as per requirements of the P & T Department. These items have not become obsolete and are being used for the maintenance and development of the telecommunication network of the country. Very few items have become outdated and their production gets dropped, whenever considered necessary.

Transport Development Council Meets

The 17th Meeting of the Transport Development Council was held in New Delhi recently. The Transport Development Council is a high level body at Minister's level to advise the Government of India on all matters relating to the development of roads and road transport. The Union Minister of Shipping and Transport is the Chairman of the Council and State Ministers incharge of roads and road transport and other concerned Union Ministers are its members.

Inaugurating the meeting, the Union Minister for Shipping and Transport,

Mr. Veerendra Patil stated that road transport in India has and will continue to play a dominant role, not in competition with or to the detriment of the growth of other modes, but in harmony with them.

The Minister said that he would like to draw the attention of the members to the proposal to set up a National Institute of Road Transport Research and Statistics. The need for an authentic data base for this sector cannot be over-emphasised. No worthwhile transport planning for rural as well as urban areas or for inter-State movement could be done in the absence of an adequate data base.

Mr. Patil said that the road sector on which the country has already invested Rs. 40,000 million since Independence has been given high priority in the 6th Plan in recognition of its important role in the country's developmental process. The 6th Plan provides Rs. 34,890 million for road development, the largest ever outlay in any single Plan. The break-up of this outlay is : Rs. 8,300 million in the Central sector; Rs. 11,650 million for rural roads programme; and Rs. 14,440 million for other roads in the State sector.

Mr. Patil said that he was aware that even this massive infusion of funds in this Sector will not satisfy the requirements of linking the remote villages with the mandis and towns but he did not share the view that this allocation is not adequate to meet our immediate needs if it is not backed up with judicious use of the available resources. He pleaded for priority being given to the construction and completion of missing road links and unbridged road crossings in the background of the

need to reduce travel distances which will in turn result in quick turn round of vehicles and saving in fuel consumption.

The Minister also stressed the need for improving road safety.

Welcoming the delegates the Union Minister of State for Shipping and Transport, Mr. Buta Singh said that the road transport industry, which is an important component of the infrastructural sector, has to grow at a rate faster than other sectors it is intended to serve, otherwise serious imbalances will result and the objective set before it by the National may well be jeopardised.

Mr. Buta Singh said that there is an urgent need for creating greater awareness of the role and responsibility of the people connected with the transport Sector, particularly in the context of the challenge on the energy front to spare no effort in effecting economy in the consumption of oil which for the level of its output is undoubtedly high.

Urging the Ministers Incharge of Roads to give proper thought and attention to the development of existing roads to the required standards, he said that for the development of the existing National Highways to the required standards alone, this sector needs Rs. 25,000 million. Another Rs. 40,000 million are required for improvement of State highways. In addition, nearly Rs. 110,000 million are required for providing link roads to all the villages. This, he added, is indeed a colossal amount and could be provided in phases only.

Augmenting Rabi Production

The Union Ministry of Agriculture has initiated several advance measures to ensure the targets set for the production of various foodgrains in the ensuing rabi season and set apart a sum of Rs. 1,110 million for immediate distribution as short-term loans to the States for purchase and distribution of agricultural inputs.

Accordingly, top priority will be given for the timely supply of various inputs like quality seeds, chemical fertilisers, pesticides for plant production and credit.

According to the new strategy evolved in this regard, all out efforts will be made at all levels to augment the production of wheat, which is the major rabi cereal, besides oilseeds and pulses. Accordingly, every effort will be made to increase the area under wheat by exploring the possibilities of growing this important cereal in the States like Assam and North-eastern regions.

The Union Ministry of Agriculture, especially the Crops Division has been entrusted with the job of immediate fixation of State-wise and cropwise targets of areas and production of all rabi crops including oilseeds and pulses.

These targets which are to be fixed in close cooperation of various State Governments and Commodities Directorates, will form the basis of monitoring the progress of the rabi campaign from time to time.

The Ministry had also advised fixation of these targets immediately projecting separately the requirements of inputs for both irrigated and unirrigated

areas so that necessary arrangements could be made to ensure their timely availability in adequate quantities.

The Union Ministry of Agriculture had written to various State Governments, indicating cropwise and area-wise production targets and the details of arrangements required for their realisation.

Various aspects of organisations of inputs and effective liaison with State and Central agencies have been identified and entrusted to different officers making them fully responsible and accountable for proper and timely implementation and coordination. The Ministry had also decided to establish close liaison with the Union Ministry of Irrigation to assure supply of canal irrigation required for the rabi crops. Besides, Ministry streamlined the procedure to expedite financial sanctions for all Centrally sponsored rabi campaigns without any delay.

It is also establishing a Central Control Room under the charge of a senior officer to keep effective liaison with all the State Governments to review the progress from time to time and identify the bottlenecks, if any and initiate necessary measures to clear them.

The Ministry has also designated some of the senior officers as 'Area Officers' each of whom will be in-charge of one or two States for intensive review of the progress of Agricultural Production Programmes in the States allotted to him. The services of the Area Officers will be utilised for effective monitoring of the progress of the rabi campaign. They will soon start visiting their States for this purpose, to assist them in various agricultural Programmes.

Major Rural Reconstruction Programmes

An outlay of Rs. 24,350 million has been earmarked in the central sector for the implementation of major rural reconstruction programmes for the country during the Sixth Five Year Plan. Giving this information in the Rajya Sabha recently, the Union Minister of State for Agriculture and Rural Reconstruction Mr. Baleshwar Ram said that of this Rs. 7,500 million are for Integrated Rural Development and Rs. 9,800 million for National Rural Employment programme. Rupees 1,750 million account for Drought Prone-areas and Rs. 500 million are expected to be spent on desert development programmes. He said an equal amount for these programmes has to be contributed by the State Governments.

The Minister further said that in addition to this Rs. 4,800 million have been allocated for programmes undertaken by the Khadi and Village Industries Commission.

Growing Indo-USSR Trade Relations

The first Trade Agreement with the USSR was signed in 1953 for a period of five years. At that time, the total volume of Indo-USSR trade amounted to only Rs. 13 million (imports Rs. 7 million and exports Rs. 6 million). But in the following years after the signing of the Trade Agreement, an impressive expansion took place and by the end of 1958, the total volume

of trade recorded a peak level of Rs. 880 million (imports Rs. 670 million and exports Rs. 210 million). The first Trade Agreement did not stipulate any definite commitment on either side regarding the volume representing quantum and value of each commodity traded. The trade deficit on either said was agreed to be adjusted against payment in convertible currencies.

Both countries had a fresh look at the pattern of trade and particularly the imbalance and decided to enter into a balanced bilateral trade with payments in Indian rupees. This Trade and Payments Agreement, which was to be valid from 1959 till 1963, helped to a considerable degree in scaling down the continuing trade imbalances. The large trade deficit which amounted to Rs. 453 million in 1958 dwindled to Rs. 64 million in 1963. A new system of trading based on bilateral clearing arrangement through rupee account in India was thus initiated. The beginnings were small and the range of commodities traded was narrow. Imports consisted of a few non-ferrous metals, dyeing and tanning materials, newsprint, raw cotton and some chemicals; and exports consisted of traditional commodities like pepper, shellac and raw hides and skins. In the first five years, the total trade turnover amounted to Rs. 4400 million (imports Rs. 2420 million and exports Rs. 1980 million).

In the Agreement beginning in 1964, the two countries entered into long-term planning of imports and exports for the first time and a long-term plan for the first three years was prepared. The period 1964-70 (the Trade Agreement, initially valid for five years till

1968, was rolled on for two more years till 1970) saw a significant diversification of India's exports through the addition of a range of textile products, including cotton and woollen knitwear bed linen, coir goods, various drugs and chemicals, automobile parts and miscellaneous engineering goods, and the two-way trade reached a figure of Rs. 19,260 million (imports Rs. 9020 million and exports Rs. 10,240 million).

The fourth plan (1971-75) maintained the growth trend of trade and the total turnover during this period increased to Rs. 24,810 million (imports Rs. 8880 million and exports Rs. 15,930 million). Indian exports saw a substantial diversification with the entrance of items like storage batteries, garage equipment, hand tools, miscellaneous consumer goods, paints, varnishes, etc. in the Soviet market.

During the visit of Soviet President Leonid Brezhnev to India in 1973, the two sides took note of each other's longterm requirements and agreed to consider these in the formulation of their respective Five Year Plans and to meet each other's requirements to the extent possible so that trade between the two countries may expand substantially by one-and-a-half to two times by 1980. The Joint Indo-Soviet Declaration signed by Mrs. Indira Gandhi, The Prime Minister of India and Mr. Brezhnev made a specific mention of this objective.

The Trade Agreement for the period 1976-80 was signed in New Delhi on April 15, 1976 and took special note of the objective in the Joint Indo-Soviet Declaration. The Agreement

continued the existing pattern of trading in rupees through a single clearing system.

The two sides agreed to facilitate participation in trade fairs and exhibitions and to strengthen and expand business contacts between Indian trading and industrial organisations and the Soviet Foreign Trade Organisations. The Trade Agreement envisaged a total trade turnover of Rs. 50,000 million during 1976-80.

USSR agreed to take new items like dry core cables, wood veneers, etc. The two-way trade is likely to reach a figure of Rs. 19,000 million in 1980, the last year of the Agreement period, which will be more than four times the level reached in 1973 and thus far exceed the objective of the Joint Declaration.

The growth of trade between the two countries in the last 25 years may be seen in the following table :

(Rs. 10 million)

Period	Exports to USSR	Imports from USSR	Total trade
First Agreement period (1954-58)	53	124	177
Second Agreement period (1959-63)	198	242	440
Third Agreement period (1964-70)	1,024	902	1,926
Fourth Agreement period (1971-75)	1,593	888	2,481
Fifth Agreement period, 1976-80, (expected)	2,977	2274	5,251

Traditional goods such as tea, coffee, spices, tobacco, cashew, jute and cotton textiles, still constitute an important share in India's exports to the USSR. Over the years, India has established a steady and growing market in the USSR for Indian exports like tea, coffee, spices, etc. In terms of value (year 1978-79) USSR accounts for 17 percent of India's total exports of tea, 24 percent of coffee, 30 percent of cashew, 22 percent of tobacco, 20 percent of jute goods, 33 percent of mica.

For a number of manufactured products, USSR is a growing market. Drugs and medicines, paints, enamels dyestuffs, cosmetic goods, carpets and a host of engineering goods have found their way to the USSR market in recent past and it is expected that there will be greater demand for consumer goods for which India has built up and can build up enough capacity to cater to the Soviet market. Indian goods, especially in the engineering sector, are getting popular for their quality and work-

manship and are increasingly accepted in the Soviet market.

To popularise the Indian goods and to bring them nearer home to the people of the USSR, a wholly Indian Exhibition was held in Moscow in August 1978. The exhibition, the largest of its kind by any other country, attracted a record crowd and has created a greater awareness of the quality and competitiveness of Indian goods, especially in the manufactured sector. Cosmetics, handicrafts, spectacle frames, fruit juices, hand tools, machine tools, garage equipment and a number of other consumer durables were a big attraction. The exhibition resulted in additional contracts worth more than Rs. 1,000 million.

The bilateral rupee trade with the USSR has enabled India to obtain essential import requirements like, crude oil, other oil products, fertilisers, steel, non-ferrous metals, newsprint, asbestos and other industrial raw materials, essential for the growth of the economy. India's total imports from the USSR increased from Rs. 7 million in 1953 to Rs. 830 million in 1963, Rs. 1,140 million in 1973 and Rs. 3,280 million in 1978. This increase in imports is partly due to the increase in prices of various important commodities, particularly petroleum products and others.

The composition and structure of India's imports have also been changing in keeping with the changing requirements of her economy. In the beginning, machinery and equipment constituted the most important items of import. With the growth in indigenous production where has been a steady decline in the import of conventional machinery and its place is

now being taken by items such as petroleum products, fertilisers, non-ferrous metals, etc. Crude and petroleum products from that USSR account for nearly 65 percent of our total imports from that country; non-ferrous metals, asbestos, newsprint, fertilisers and other industrial materials 17 percent, and machinery 13 percent.

India and the USSR have also concluded the annual trade protocol for 1981. Envisaging a trade turnover of about Rs. 22,000 million indicating an increase of Rs. 3000 million more than in 1981. The protocol was signed recently in New Delhi by Mr. P.K. Kaul, the then Commerce Secretary, on behalf of India and Mr. I.T. Grishin, Deputy Minister of Foreign Trade, on behalf of USSR.

The trade turnover for 1980 is expected to have reached Rs. 19,000 million as compared to the turnover of Rs. 12,000 million in 1979. This is partly due to increased turnover of physical imports and exports and partly due to rise in prices. The protocol for 1981 provides for increased offtake from India of a number of commodities. Special mention may be made of cardamom, fruit Juices, tobacco, mica, medicines and pharmaceuticals, cosmetics, dyestuffs, shoe uppers, woolen knitwear, ready-made garments, hand tools, dry batteries, wood veneers, structural frames, handicrafts, steam boilers, and sports goods. New items like marine products, cut flowers, textile machineries, steel castings and forgings, have been introduced in the protocol.

The Soviet Union has agreed to consider the possibilities of taking more items from India, especially in the engineering sector.

So far as imports from the Soviet Union are concerned, the protocol provides for continued supplies of machinery items, crude oil, petroleum products, fertilizers, non-ferrous metals, newsprint etc.

Both sides will work towards increase in the volume of trade between the two countries by 1.5 to 2 times in accordance with the Long-term Programme of Economic, Trade, Scientific and Technical Co-operation signed on 14th March, 1979.

Programme of Forthcoming Participations in Trade Fairs/Exhibitions Abroad

1. Indian Exhibition, Sydney (Australia)	October 6-9, 1981
2. Bucharest International Fair, Bucharest, (Romania)	October 15-23, 1981
3. Pret-A-Porter Feminin (International) Exhibition for Ladies Ready-to-Wear Clothing, Paris, (France)	October 17-21, 1981
4. Santiago International Trade Fair-FISA'81, Santiago (Chile)	October 29—November 15, 1981
5. Indian Exhibition, Bahrain	February, 1982
6. Indian Exhibition, Nairobi, (Kenya)	March 12-21, 1982
7. Cairo International Fair, Cairo (Arab Republic of Egypt)	March 13-27, 1982
8. Indian Exhibition, Algiers, (Algeria)	May, 1982
9. Indian Exhibition, Kuala Lumpur (Malaysia)	November, 1982
10. Indian Exhibition, London (UK)	November, 1982
11. Indian Exhibition, Mexico	May, 1983
12. Hannover International Fair, (FRG)	April, 1984

Further information can be obtained from the Manager (Exhibitions), Trade Fair Authority of India, Pragati Maidan, New Delhi-110001.

FACILITIES FOR INTERNATIONAL EXHIBITORS AT INDIA INTERNATIONAL TRADE FAIR, 1981

Trade Fair Authority of India (TFAI) will organise India International Trade Fair 1981 (IITF '81) from November 14 to December 4, 1981 at Pragati Maidan, New Delhi. The main objective of the Fair is to promote international trade and encourage new investments in India as well as in third countries. The Fair will project India's allround progress in the fields of industry, agriculture, trade, science and technology. As many as 50 foreign Governments at the national level and more than 3,000 companies from India and abroad are expected to participate in the Fair.

With a view to making foreign participation meaningful, a number of facilities are being provided to the international exhibitors for expeditious disposal of the exhibits displayed by them. These are listed below :—

- (1) Government of India have issued instructions to all Ministries and public sector undertakings that as far as possible, in regard to their import requirements, they should make their purchases from the goods that are displayed by international exhibitors at the Fair.
- (2) The capital goods requirements have been compiled in the form of booklet which is available with TFAI for reference of those foreign governments and firms who wish to participate in the Fair. This will facilitate the concerned Departments to make their selections and order for their purchases from the exhibit that are displayed at the Fair.
- (3) For expeditious disposal of exhibits that are displayed at the International Fair, Government of India have streamlined customs and licensing procedure as under :—
 - (a) Fair Quota to the maximum of Rs. 5 million in foreign exchange per exhibitor has been earmarked for disposal of the exhibits displayed at the Fair.
 - (b) In respect of capital goods upto a value of Rs. 1 million per item, Chief Controller of Imports and Exports (CCI and E) has simplified the licensing procedure to ensure that such licence are issued on the spot.
 - (c) In respect of items of the value of over Rs. 1 million, special meetings of the Capital Goods Committee (CGC) will be convened to ensure that these applications for import licences are disposed of expeditiously.
 - (d) Items falling under Open General Licence (OGL), and Indian importers holding licence for the items of their purchase, will be allowed direct purchases and clearance by the Customs located at Pragati Maidan.
 - (e) Customs and Chief Controller of Imports and Exports offices will be located at Pragati Maidan to facilitate expeditious clearance of goods.
 - (f) As an incentive for developing countries to participate in the Fair, following items of consumer goods which are otherwise banned for import into India, have been permitted for disposal by the developing countries participating in the Fair : handicrafts, garments, jute goods, toys other than electronics, cosmetics, house-hold goods other than electrical and electronics, ladies fashion wear, leather goods, glass-wares, dry fruits, and honey.
 - (g) International exhibitors have been allowed duty-free import of publicity and advertising materials for free distribution during the Fair.
 - (h) To make participation more attractive, several other relaxations in regard to customs and licensing regulations have been agreed to by the Government.

The licence fee will be Rs. 100 per square metre for open area and Rs. 400 per square metre for covered area. Foreign participants will, of course, be required to pay the fee in foreign exchange. Further details may be obtained from the Trade Fair Authority of India, Pragati Maidan, New Delhi-110 001.

economic and commercial news

News Highlights

India to Participate in Paris Fair

The Trade Fair Authority of India, (TFAI) is organising India's participation in the 42nd Salon International Du-Pret-A-Porter Feminin, to be held in Paris from October 17 to 21, 1981. This will be India's first participation at the national level in this Fair. Over 30 leading Indian exporters of ready-made garments will take part in this exhibition. The display range covers women's outward and materials; accessories such as scarves, handbags, belts, fancy jewellery, furnishing materials; fashion evening dresses for ladies; leather garments and traditional Indian garments like Kurtas, blouses, longdress, embroidered garments, etc.

TFAI has also allowed 11 Indian parties to participate directly in the Fair for display of ready-to-wears.

Increase in Tourist Arrivals

Tourist arrivals in India registered an increase of 9.2 percent in August, 1981 over the corresponding month of 1980.

During the month, 77,063 foreign

Export Performance and Potential

India and Botswana to Further Strengthen Trade and Economic Ties

Dr. Quett Masire, President of the Republic of Botswana and Mrs. Masire, paid a State visit to India recently at the invitation of the President of India, Mr. Neelam Sanjiva Reddy and Mrs. Reddy.

The President of the Republic of Botswana had wide ranging talks with the Prime Minister of India, Mrs. Indira Gandhi, on major international issues as well as on the question of further strengthening the bilateral relations between India and Botswana. These talks were held in an atmosphere of cordinity, mutual trust and understanding.

The two leaders reviewed the development of bilateral relations between the two countries. Both sides expressed satisfaction at the progress in bilateral cooperation during recent years and expressed their desire further to strengthen this cooperation in commercial, economic, scientific and technical fields. An Agreement was signed setting out procedures and guidelines for the future recruitment of experts from India. A second Agreement was signed specifying areas in which India could participate in Botswana's programme of developing small scale industries. The Government of Botswana noted with appreciation India's readiness to assist Botswana in these and other fields.

The two sides expressed their deep concern at the current deadlock in the multilateral economic negotiations. They noted that though the New

tourists arrived in India as compared to 70,542 in August, 1980 registering an increase of 6,521.

Tourist arrivals during the eight months from January to August, 1981 improved by 7,638 over the same period of last year. In all, 541,852 tourists arrived in the country during January-August, 1981 as against 504,214 during the same period of 1980 registering an increase of 7.5 percent.

Concessional Duties on Copper to Continue

The Government of India have decided to continue the existing concessional rate of customs duty (basic plus auxiliary) of 70 percent ad valorem on unwrought copper (refined or not), which was valid upto September 30, 1981, for a further period of one year ending on September 30, 1982. Similarly, the existing rates of central excise duties on copper and manufacture thereof of Rs. 3,300 per tonne and Rs. 4,070 per tonne, respectively, which were valid upto September 30, 1981, have been extended for a further period of one year ending on September 30, 1982.

Contents

Export Performance and Potential	
India and Botswana to Further Strengthen Trade and Economic Ties	1
New Contracts for NBCC in Libya	2
Stress on Greater Role of STC in Trading	2
Higher Exports by RITES and IRCON	4
Notable Business by Indian Firms at Frankfurt Fair	4
Exports Prospects of Frozen Fish to Malaysia	4
Industrial Growth and Diversification	
Oil Discovered in Palk Strait	5
Higher Production in Heavy Industry Units	5
Modernisation and Expansion of Staple Industry	6
New Power Projects Cleared	6
A Profile of Jute Industry	6
Science and Technology	
Portable X-Radiography Unit Developed by NAL	7
Indian Standards Convention at Madras	8
Engineering Industry-Its Growth and Capability	9

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this Journal.

International Development Strategy for the Third Development Decade was adopted by the General Assembly last year, the international community has so far failed to agree on the launching of the global round of negotiations which would contribute to the implementation of the strategy and has at the same time, not focussed its attention on critical issues that require urgent consideration such as food security, energy including development of indigenous energy resources of developing countries and financial flows. They agreed that the developing countries should continue to make efforts at all levels to overcome the current deadlock through the generation of the requisite political will.

The two leaders welcomed with satisfaction the Caracas programme of Economic Cooperation among developing countries and called for its early implementation. They expressed the hope that concrete decisions would be taken in regard to cooperation in the field of development finance in accordance with the recommendations of Resolution No. 7 of the 6th Summit of Non-aligned countries on "Policy Guidelines of Reinforcing Collective Self-reliance among Non-aligned and Developing Countries."

During his stay in India, the President of Botswana visited the Haryana Agricultural University, Hissar, the Locomotive Plant at Varanasi, the Hindustan Machine Tools and the Bharat Heavy Electricals at Bangalore, the Bhabha Atomic Research Centre at Trombay and the Tata Engineering and Locomotive Company, Bombay.

New Contracts for NBCC in Libya

The National Buildings Construction Corporation (NBCC), a Government of India enterprise, has secured recently number of new contracts in Libya valuing over Rs. 2,000 million. These include construction of public buildings at Ghat, Fivet, Berkat, Gatrone and Mazruk area 950 million, turnkey road construction of Ghat, Fivet and Berkat 655 million, construction of 225 houses at Ghat and Fivet (Rs. 350 million) and roads illumination work in Beniwalid area (Rs. 45 million).

With these new contracts, the project exports of NBCC have mounted up to Rs. 4,000 million in Libya. A few other offers of the Corporation for the construction of electrical institute at Zilton, air strips, farm roads and township at Misurata valued about Rs. 4,000 million are under negotiation.

The 'on-going' project which the Corporation is presently executing in Libya include New Ghat Airport Project, Brak Airport, 1,432 houses at Ghat and Beniwalid, Airforce Camp at Ghat, terminal building and allied works for Ghat Airport, planning and designing of 2,000 houses and allied services, construction of 500 houses at Al-Orban, 120 bedded hospital at Ghat and PSSI and school buildings at Ghat and Beniwalid. Many of these projects are about to be completed.

Stress on Greater Role of STC in Trading

Mr. Pranab Mukherjee, Union Minister of Commerce, Steel and

Mina, stressed the need for a co-ordinated approach and forward planning to tackle the adverse global economic environment in international trading.

He was speaking on the occasion of 25th Annual General Meeting of the State Trading Corporation of India (STC).

He said that increasing protectionism in the form of tariff and non-tariff barriers, widening technology gap between developed and developing countries, volatile price fluctuations in primary commodities despite International Commodity Agreements were some of the principal constraints to market penetration in many a developed country. These factors coupled with the steep increase in the country's import bill on account of POL price hikes had cast a heavy burden on all those who were concerned with the nation's foreign trade. The Minister said that to meet these adverse environmental factors, India's product-mix, both for exports and imports would need to be analysed to ensure fuller advantage of the country's capabilities. Similarly, there would be need to explore new markets and evolve strategies to improve the country's access to raw material sources and towards setting up joint ventures in foreign countries. In this respect he said that the markets in African, Latin American and South East Asian countries should be explored as a response to the increasingly closed-door policy being adopted by the developed countries. He felt that while evolving strategy of this nature, the entrenched European trading interests in Africa and the foothold of multi-nationals in Latin

America would have to be taken into account and appropriate solutions thought of. Such a strategy apart from diversifying the market-mix would also provide a dent in the protectionist policies being encouraged in the developed countries. Mr. Mukherjee said that Government on its part was fully aware of the complexities and challenges posed by these environmental changes in international trade and had taken several policy initiatives and have introduced schemes to give a boost to India's export effort. In this regard he referred to new schemes like 100 percent export-oriented units, incentives for export production, liberalised import policy for increased export production, and liberalised policy for technology transfer and some of the other steps taken by the Government in this direction.

The Minister said that the State Trading Corporation of India, which had been conceived as a premier trading organisation of the country, its leadership role should be reflected in the magnitude of the turnover, diversity of the products handled and efficiency in operation, both in terms of costs and quality. While STC had shown an impressive growth in magnitude of its turnover, he added, the need for diversity of operation and improved efficiency continue to exist. He felt that the Corporation would also need to direct its efforts in the field of promoting exports of more and more non-canalised items. He said that handling of large amounts of exports and imports on a canalised basis gives STC a dominant position which should be used for promoting exports of non-canalised items. This

aspect has also been emphasised in a recent study carried out by the Indian Institute of Management.

Mr. Mukherjee felt that another area in which STC would need to play an increasingly important role, relates to ensuring stability of prices of mass-consumption items, where fluctuations in supply necessitate import or export of such items on Government account. It should be possible for an organisation like the STC which was equipped with a network of foreign offices and sound managerial talent to monitor suitably the supply demand situation of such items and provide advance information to Government, so that corrective action would be taken well in time.

The Minister felt that STC should prepare a perspective plan which should lay due emphasis on its developmental role as also the role associated with achieving social objectives. He was happy to note that STC's turnover had reached the figure of Rs. 16,700 million which constitute 9 percent of India's trade. He was also happy to note that the Corporation had also been successful in promoting the consortium approach for generating greater exports of the small scale sector. He said that the Sixth Five Year Plan envisages doubling of exports from the small scale sector from the present level of Rs. 10,000 million to Rs. 20,000 million. Small scale units being dispersed in different parts of the country with varying standards of performance require close and continuous review, guidance and supervision. He hoped that the Corporation will continue its promotional efforts in this direction and earn the goodwill of the small scale sector.

He said that as a trend setter and dominant organisation in India's international trade, Government look upon STC as a major instrument for implementing its foreign trade policies.

Higher Exports by RITES and IRCON

Rail India Technical and Economic Services Limited (RITES) and Indian Railway Construction Company Limited (IRCON), Government of India enterprises under the aegis of Ministry of Railways, have fared well during 1980-81 both in terms of profits and turnover.

Addressing their annual general meetings recently at New Delhi the Chairman, Mr. P.N. Kaul indicated that there was a big potential for development of business and running the railway transport network and in the field of construction particularly in middle-east and African countries. RITES and IRCON now looked forward to new areas in that part of the world for a wide range of activities under the global assignments.

RITES achieved a turnover of Rs. 106 million in 1980-81 as compared to Rs. 81 million during the previous year, earning net foreign exchange of Rs. 22.7 million, besides repatriation of about Rs.20 million by the experts. The net profit of the Company also increased from Rs. 24 million to Rs. 27 million.

At present, over 700 experts are helping the railways systems of developing countries in providing management, rehabilitation, maintenance, supervision and reactivation support to them. The new countries on the map of

RITES' overseas operations are Jordan, Mozambique, Zambia, Zimbabwe, Malaysia and Tanzania besides Nigeria, Iraq, Ghana, Philippines where the contracts are already in hand Agreement with the National Railway of Zimbabwe for providing assistance in strengthening, maintenance and operation of its system in the form of supervisory and technical support, involving secondment of over two hundred technical personnel, needs special mention.

IRCON has secured the prestigious contract in Iraq, of the value of Rs. 2,240 million, for the construction of a new railway line. The Chairman indicated that the Company was hopeful of bagging more high value contracts in other countries.

IRCON will largely concentrate its effort now on participation in major railway construction projects, planned in the developing countries in Middle-east, Africa and South-east Asia.

The work-load of the Company has increased to Rs.693 million in 1980-81 from Rs. 342 million in 1979-80 while its turnover has increased to Rs. 95 million from Rs. 50 million in the previous year. The net profit increased to Rs. 4.5 million compared to Rs. 1.5 million in the previous year.

Notable Business by Indian Firms at Frankfurt Fair

Orders worth Rs. 14.76 million were booked by Indian firms participating in the 49th International Automobile Ausstellung which concluded at Frankfurt on September 27, 1981. In addition, trade enquiries worth Rs. 65.55 million were received by the Indian firms. The products for which

spot orders were placed are mirrors, reflectors, head lights, wiper arms, rubber parts, rubber to metal bonded parts, turned components, brake parts and gears.

This is the fourth time that the Trade Development Authority (TDA) has organised the participation of Indian automobile ancillary manufacturers in this fair. Sixteen Indian firms displayed their products and over 600 specialised buyers comprising leading car and truck manufacturers, such as Volkswagen, Mann, Mercedes Benz visited the TDA stand.

The necessity of India's participation in the International Automobile Ausstellung, is borne out by the fact that West Germany is the third largest importer of automobile and ancillaries. Though the market is dominated by French and Italian automobile manufacturers, India's exports of auto ancillaries to West Germany is appreciable.

The total exports of auto ancillaries from India to West Germany during 1979 amounted to Rs. 40.96 million. The main products imported from India were parts of diesel engines, earth-moving equipment, fork-lift-trucks, scooters, mopeds and auto rickshaws.

Export Prospects of Frozen Fish to Malaysia

A Sales-cum-Study Team sponsored by the Marine Products Export Development Authority (MPEDA), which visited Malaysia recently, explored possibilities of exporting Indian marine products to that country. The Sales Team in its report has, inter-alia, observed that the lean season for

Vol. XI No 42
17 Oct. 81

fishery in Malaysia is between October and February. As this is the time when good catches are normally available in parts of India, it would be worthwhile to make use of this period and concentrate on the country's export of frozen fish items to Malaysia. Products like white and black pomfrets, seer fish, mackerel, squids, shrimps and rock cod have good demand and fetch high prices in the Malaysian market. Hong Kong and Singapore are also excellent markets for these frozen items.

Industrial Growth and Diversification

Oil Discovered in Palk Strait

Oil has been discovered by the Oil and Natural Gas Commission (ONGC) in the first well drilled in Northern Palk Strait in the offshore Kaveri Basin in South India.

The flow-rate recorded from a horizon in the structure PH-9-1, which was tested at a depth of 2301-2312 metres, is about 1,500 barrels per day through a half-inch choke with a gas-oil ratio of 68.

The structure at the level of the pay-zone in approximately 50 square kilometres in the area. The actual extent of the field will be estimated by drilling two or three further assessment wells.

There are also other structural features in the Palk Strait which will now merit special attention.

The well was spudded on July 30, 1981 by the drill barge 'Gettysberg' in 9 metres of water which, so far, is the shallowest water depth in which a

floating drill barge has operated in the world.

A special cellar has been used for the installation of the BOP (Blow Out Preventor) stack below the sea-bed to enable drilling operations to be carried out.

The significance of this discovery is that oil has been discovered for the first time in the Upper Cretaceous sands in India. Earlier in the Kaveri Basin only indications of non-commercial oil were encountered.

The Union Minister of Petroleum, Chemicals and Fertilisers, Mr. P. C. Sethi, has congratulated the oil and Natural Gas Commission on their success.

Three weeks prior to the latest Palk Strait discovery, the Petroleum Minister had announced in Parliament an important oil find in a new structure, B-57, located about 35 kilometres east of the Bombay High field in a water depth of about 75 meters.

Higher Production in Heavy Industry Units

Public Sector-Undertakings under the Union Department of Heavy Industry, achieved in August 1981 a production of Rs. 1218.9 million 98 percent of the target of Rs. 1242.3 million. This production of Rs. 1218.9 is 30 percent higher than the production of Rs. 934.2 million achieved during the corresponding month of last year. In addition to this, Engineering Projects (India) Ltd. (EPI), a consultancy-cum-contracting organisation, achieved a turn-over of Rs. 170.8 million during August '81.

Six public sector undertakings exceeded their target for the month of August '81. They are Hindustan Machine Tools (HMT) (111 percent), Burn Standard Co. Ltd. (131 percent), Bharat Heavy Plate and Vessels Ltd. (113 percent), Richardson and Cruddas Ltd. (108 percent), Lagan Jute Machinery Co. Ltd. (112 percent) and Bharat Brakes and Valves Ltd. (104 percent). Units which have achieved more than 80 percent of their respective targets for the month of August '81 are Bharat Heavy Electricals Ltd. (97 percent), Jessop and Co. Ltd. (94 percent), Mining and Allied Machinery Corporation Ltd. (92 percent), Scooters India Ltd. (82 percent), Bharat Pumps and Compressors Ltd. (93 percent) and Bharat Wagon and Engineering Co. Ltd. (89 percent).

Cumulatively, during April-August 81, these units achieved a total production of Rs. 4,934.02 million, 91 percent of the target of Rs. 5,426.5 million. This production of Rs. 4,934.2 million shows an improvement of 22 percent over the production of Rs. 4,056.5 million achieved during the same period last year. Units which have exceeded their targets during April-August 81 are HMT Ltd. (112 percent), Burn Standard Co. Ltd. (113 percent), Jessop and Co. Ltd. (102 percent), Bharat Heavy Plate & Vessels Ltd. (114 percent), Bharat Pumps and Compressors Ltd. (102 percent) and Lagan Jute Machinery Co. Ltd. (110 percent).

Industries which have recorded significant increase in production during April-July '81 over the production during April-July '80 are Cement Machinery (64.4 percent), Cars (105.6 percent), Mopeds (59.3 percent), Commercial

vehicles (42.4 percent), Agricultural Tractors (33.8 percent) and Railway Wagons (33.3 percent). However, production of Sugar, Paper and Pulp Machinery showed a decline during April-July '81. 14,600 cars were produced during April-July 1981 as against 7,100 during the corresponding period last year.

Modernisation and Expansion of Staple Industry

Mr. Pranb Mukherjee, Union Minister of Commerce, Steel and Mines, said recently that the Government was taking positive steps to encourage modernisation and expansion of the indigenous staple fibre and yarn industry. He hoped that these steps would lead to reduction in the cost of production of this fibre.

He was addressing the Annual General Meeting of Polyester Users Association of India, at New Delhi recently. Mr. Mukherjee said that it was expected that with the increase in indigenous production through encouragement of expansion of the polyester staple fibre capacity, India would in future have all the staple fibre available to meet its domestic demand. He said that Government was committed to review fiscal levies on man-made and yarns and detailed exercises were already on in the Department of Textiles in consultation with the Union Ministries of Finance, Petroleum and Industry. He, however, emphasised that the rationalisation exercise must take into account the importance of passing on the benefit of lower duties to the ultimate consumer. The whole exercise would also have to take into account not only the interest of all sections of the textile industry, but also must

look into the whole question in a long term perspective.

The Minister did not agree with the exporter's optimistic view regarding export performance of man-made textiles which had been only Rs. 308.4 million as compared to the target of Rs. 550 million during 1980-81. He felt that the pace of exports in the current year indicated that the reduced target of Rs. 500 million for this year might also not to be achieved. He felt constrained to point out that industry was not taking full advantage of the liberal policies of Government and adequate efforts were not being made to push up exports of man-made textiles.

New Power Projects Cleared

The Planning Commission has approved the scheme of Panipat thermal power station stage—III, as revised by the Haryana Government. The revised project is estimated to cost Rs. 1,110 million.

The project envisages installation of one 210 MW turbo generator set with associated auxiliaries together with boiler. The scheme also includes suitable extension of coal and ash handling systems, water treatment plant to cater to the need of extension units, cooling tower, switchgears, and step-up station.

The power generated will be stepped up to 220 kv as in State I and II. One 220 kv double circuit and one 220 kv single circuit on D/C towers between Panipat Thermal and panipat 400 kv sub-station and 220 kv double circuit to Panipat Thermal and Narwana, already approved, will be

adequate for evacuation of power from the state-III station.

Schemes formulated by the Tamil-Nadu state for setting up two micro hydel power stations, one at Vaigai dam and another at Pykara dam have also been approved by the Planning Commission. The total estimated cost of these schemes is 54.455 million.

The first scheme envisage construction of a power house at the toe of the Vaigai dam on the left flank to instal twog enerating units of 3 MW each and associated 22 KV transmission lines. The power house would afford an average annual energy generation of 22.34 GWH.

According to the second scheme, the power station at Pykara dam entails extension of power pipe by 46.5 metrs. and construction of a small power house at the toe of the dam to instal one unit of 2 MW, and associated 11KV transmission lines. This power house would afford an average annual energy generation of 9.8 GWH.

A Profile of Jute Industry

The jute industry occupies a significant position in India's industrial spectrum. Starting as back as in 1854, it has played a prominent role in the country's echonmy. The Indian jute Industry is the largest in the world. Its contribution by way of generating employment opportunities is quite sizeable. About 400,000 persons are employed in the jute industry and trade and over 2 million farmers are engaged in jute cultivation. The industry has been earning substantial foreign exchange for the country.

India is the largest producer of raw jute including mesta in the world,

followed closely by Bangladesh. Production is spread over West Bengal, Assam, Bihar, Orissa and Tripura. West Bengal alone accounts for over 60 percent of total raw jute production. Mesta is produced in a number of states including Andhra Pradesh, West Bengal, Orissa, Bihar, Tripura and Meghalaya with Andhra Pradesh for over 40 percent. Production of raw jute and mesta has shown an increase in recent years. During the period 1978-1980, production exceeded 8 million bales (1.44 million tonnes) and the trend is expected to continue in 1980-81.

The Government of India set up the Jute Corporation of India in 1971 to ensure timely price support to the jute grower and raw jute supplies at reasonable prices to the industry. The Government is also operating a system of statutory price support, with a view to ensuring minimum price for the growers. This system came into effect in 1972-73 season. The support price for raw jute was fixed at Rs. 155 per quintal for the W-5 variety for 1979-80, on the recommendations of the Agricultural Prices Commission.

There are 68 jute mills in the country, of which 56 are located in West Bengal. The remaining ones are spread over Andhra Pradesh (4) Uttar Pradesh (3) Bihar (2), Madhya Pradesh (1) and Assam (1). The industry has a capacity of 1.3 million tonnes per annum and an additional capacity of 40,000 tonnes is planned to be created through the setting up of three new jute mills. There are also 15 jute twine units with a capacity of 54,000 tonnes per annum. There have been fluctuations in production largely due to the changing demand pattern particularly in over-

seas markets. Production during 1976-77 to 1979-80 ranged between 1-1.1 million tonnes per annum. Of this, sacking amounted to 0.45 to 0.5 million tonnes hessian 0.25-0.35 million tonnes and other manufactures (carpet backing, canvas and other items) 0.2-0.22 million tonnes.

The share of jute goods exports in India's total exports declined steeply from 21 percent in 1960-61 to 4.6 percent in 1979-80. Exports slumped to the low level of Rs. 1,610 million in 1978-79 but recovered subsequently to reach Rs. 2,730 million in 1979-80.

There has been a perceptible shift in the composition of jute goods exports. The share of sacking, which amounted to 27.2 percent of total jute goods exports in 1964-65, came down to 11.5 percent in 1979-80. During the same period, hessian's share remained around 50 percent, carpet backing improved its position from 11.5 percent to 29.2 percent while the share of other items declined from 10.8 percent to 6.5 percent. USA and USSR have been the most important markets for India's jute goods. The share of these two countries comes to over 50 percent. Other important markets are Australia, Canada, Japan, UK and Sudan.

Science and Technology

Portable X-Radiography Unit Developed by NAL

National Aeronautical Laboratory (NAL) has developed a Portable X-Radiography Unit for non-destructive testing of FRP structures of upto 40 mm thickness. The unit is suitable for applications in X-ray inspection of broken filaments, knots or splices in roving fibre misalignment, voids,

delamination, honeycomb sandwich constructions etc. in FRP materials. In addition, the unit can also be used for inspection of low absorption materials like plastics, rubber and insulation materials.

The unit, as developed at the laboratory, consists of a portable X-ray tube head and a control panel. The tube head has a step up transformer and an X-ray tube. These components are immersed in transformer oil of high electrical break-down strength and operate on natural air cooled mode.

The filament transformer of the X-ray tube is housed in the control panel. This transformer has been suitably designed to have built-in short circuit limiting property. The control box also houses all the instruments, switches, timer and pilot lamps.

The working of Portable X-radiography Unit has been evaluated at the Laboratory by conducting non-destructive tests on FRP samples up to 40 mm thickness. The unit has been in use for more than one year and the performance of the unit has been found to be very good.

A large number of industries and educational institutions are engaged in studies/manufacture of FRP components. This X-radiography unit will be beneficial to all of them. FRP technology being new and the existing commercial X-radiography units being costly, X-ray examination techniques for FRP material are not being widely used by the industries. Because of the present development work done at NAL it is now possible to manufacture a portable X-radiography unit at a cost of Rs. 10,000 and this is expected to lead to adopting of X-ray testing in FRP industries.

Raw materials and components such as transformer laminations, contactors, instrumentation cable, X-ray tube, electronic timer, enamelled copper wires, insulation materials etc. are available indigenously.

Indian Standards Convention at Madras

The Nineteenth Indian Standards Convention of the Indian Standards Institution (ISI) will be held at Madras from January 17 to 22, 1982, says a press note issued by ISI.

About 800 specialists from different fields of science, technology, industry and management, representing industrial and business organizations, scientific, research and technical bodies; organized purchasers and consumers; and Government Departments are expected to participate in the Convention.

The Convention programme provides for five Technical Sessions dealing with the importance of standardization and quality control in diverse fields, namely, handloom industry, automotive industry, consumer protection, quality grading in Indian Standards and role of international standards in the development of national industry. The Convention is being organized at the invitation of Hindustan Chamber of Commerce, Madras.

ISI has been organizing Indian Standards Conventions at important industrial centres with the object of creating standards and quality consciousness; providing an opportunity to scientists, technologists and industrialists for sharing their knowledge and experience in selected fields of standardization; promoting implementation of standards; focussing attention on topical subjects relating to standardi-

zation and quality control and creating consumer demand for ISI certified products. Eighteen such standards Conventions have already taken place in different industrial centres of the country. The last Convention was held at Patna in February, 1980.

Engineering Industry-Its Growth and Capability

With the growth of engineering industries, enlargement of their production capabilities, attainment of technical competence, sophistication and product diversification. India's engineering exports have, in the course of the last few years, emerged as one of the most vibrant sectors in India's export profile, accounting for more than 10 percent of India's overall global export. From a small beginning of Rs. 50 million in 1956-57, engineering exports are estimated at Rs. 9 billion in 1980-81. The average annual growth, with the exception of 1979-80 during the last six years has been 20 percent as will be seen from the following table :

Year	Exports (In Billion Rs.)	Percentage growth over previ- ous year
1975-76	4.08	16.93
1976-77	5.52	35.14
1977-78	6.24	13.00
1978-79	7.17	14.89
1979-80	7.00	—
1980-81	9.00*	28.57

*estimated

Average growth rate : 20 percent

One of the most outstanding features of India's engineering exports has been that as much as 38 percent of its engineering exports is now composed of capital goods, such as industrial plant and machinery and projects. In

the capital goods sector, India has, on an increasing scale, been exporting regularly textile and jute mill machinery, sugar and cement plants, food processing plant, electrical power machinery and switchgear, transmission line towers, boilers, pressure vessels, heat exchangers, cranes and lifts, machine tools, steel structurals, complete vehicles, wagons and coaches, coastal vessels and ships.

In its National Strategy for the eighties, Engineering Export Promotional Council (EEPC) has projected an export target of Rs. 100 billion by the end of 1990-91 for engineering commodities. It is envisaged that percent of this target would be contributed by capital goods and projects.

Among the various sectors of Indian industry, engineering has been the most dynamic and vibrant. Nearly one-third of capital employed and gross national production comprises engineering goods. The total production of engineering goods in India is currently to the tune of Rs. 100 billion (US\$ 12.5 billion) including services etc. which account for approx US \$ 25 billion.

India has now reached a stage of self-sufficiency in the manufacture of plant and equipment required for cotton textile, jute, sugar, chemicals, paper, cement and electrical industries etc. Its production also encompasses a large number of consumer durables such as diesel engines, compressors, electronic equipment and components, hand tools, small and cutting tools, automotive parts, bicycles and bicycle parts, pumps and valves, domestic electrical appliances, sewing machines, batteries (dry and storage), ball and

roller bearings, scientific and surgical instruments etc.

In the high value capital goods sector, its manufacturing range includes ships, automobiles, locomotives, machine tools, electrical power machinery and switchgears, heavy steel structurals, iron and steel plants, plant and machinery for petro-chemical industries, agricultural machinery and implements, construction equipment, industrial cooling towers, refrigeration plant and equipment, sophisticated precision castings and forgings. Ordnance factories and defence undertakings in India produce aircrafts, frigates, radar, tanks, communication system, transport equipment and hardware.

Over the years, India has kept pace with global developments as a whole and has created a broad-based infrastructure in the country. India now ranks the eighth largest producer of industrial goods in the world. She is the second largest producer of scooters; ninth in pig iron, ferro alloys and manganese production, thirteenth in crude steel and aluminium production in the world. In electricity generation, India today reigns twelfth in the world. Basic and capital goods industry now accounts for over 40.3 percent of the value-added in the factory sector; intermediate goods industries account for 28.8 percent and consumer goods (both durable and non-durable) industries account for 30.9 percent.

Imports, if any, do constitute in the manufacture of consumer goods is fairly complete, and imports, if any,

do constitute an insignificant percentage of the market requirement. In case of capital and intermediate goods import substitution has been rapid, but some imports of components and machinery will still replace the old mother machinery and for modernisation and for modernisation and rationalisation of industrial production.

The electrical industry in India has now the design and manufacturing facilities for the entire range of equipment required for power generation, transmission and distribution. Indian firms offer equipment for thermal, hydel, nuclear and industrial power plants on a turnkey basis. India is producing heavy electrical equipment such as thermal power generating sets upto 500 MW, turbo generators, steam turbines, alternators, industrial turbo sets, equipment required for diesel locomotives, motor unit coaches etc., 400 KV class coupling capacitors, capacitor voltage transformers, power transformers of ratings 11, 33, 66, 110 132 and 220KV, important accessories like boilers, feed water pumps, electrostatic precipitators etc. and auxiliaries for hydro-stations like spherical and butterfly valves.

In the power sector, India offers "start to finish capabilities" right from the design to erection, commissioning and subsequent maintenance. Indian firms are involved in undertaking major electrical projects both at home and overseas. Indian firms have also undertaken two 120 MW thermal station projects in Libya, a massive rural electrification project in Algeria and also a number of power generation and distribution projects in

South East Asia, West Asia and Africa. India has also undertaken a 275 KV sub-station project in Malaysia; 132 and 400KV high voltage transmission line projects in Nigeria and an electrification project of a major petro-chemical complex in Iran.

In these sectors the Indian industry has developed capability and expertise to offer plants and equipment as per customer's design equipment and systems specifically to suit customer's requirement. The level of capability and sophistication achieved by the industry in these sectors has been due to flow of numerous technical know-how collaborations in India from world renowned manufacturers from USA, UK, FRG, France, Switzerland, Italy, Japan, Canada, etc.

Substantial capacities have also been established in India for manufacture of various types of machine tools including high speed lathes, milling machines, radial drilling machines, grinding machines, turret lathes, special machines with numerical control, machining centres, sliding headstock autos, front chucking automats etc. A variety of scientific, surgical and electro-medical instruments are also being manufactured in India and are being exported to even developed countries in Europe and America.

The electronics industry in India has made vertical and horizontal growth during the last one decade. Today, there are about 600 units in the organised and small-scale sectors which are manufacturing a wide variety of sophisticated consumer electronics, communication and broadcasting

equipment, aero-space and defence electronic equipment, computers, control and instrumentation and, electronic components. India has a large base for the consumer electronics production like radio receivers, TV receivers, tape recorders, record players, video games etc.

In the field of control instrumentation and industrial electronics, India's production range covers process control equipment, industrial electronics, medical electronics and test and measuring instruments. In the field of telecommunications Indian production covers telephone instruments, telephone exchanges, transmission and wireless equipment, trans-receivers, VHF and UHF antennas etc.

Two public sector undertakings in the field of electronics are manufacturing mini and large size computers. Mini size computers are also being manufactured by some units in the private sector. The computer system developed by ECIL (Electronics Corporation of India Ltd.) is TDS-312, TDS-316, a 16 bit mini computer and micro-78, a fourth generation computer based on large scale integrated circuit Bharat Electronics Ltd., (BEL), another public sector undertaking in India, is also producing a 16 bit mini computer called BEL COM-1 and is engaged in the development of COBOL computer system. They are also developing peripherals like key board, send receiver type-writer and card reader.

In the field of components, India has been producing quality components like electron tubes, semi-conductor devices, resistors, capacitors, electro-mechanical and other components. India has also developed tremendous capacity to offer computer software to overseas countries.

India exporting a large variety of electronic products which include consumer electronics, radars, various components, computer controls, computer controls, computer software, communication equipment, scientific and industrial instruments.

India is making wagons, coaches locomotives, signalling equipment, rails and such other allied items for over two decades. A vast array of giant engineering units located in various parts of the country are manufacturing railway rolling stock conforming to the highest standards of quality and performance. There are 16 units manufacturing railway wagons out of which two are in the public sector and 14 in the private sector. The total capacity installed in terms of 4-wheelers is 33,869 nos. The industry is capable of manufacturing various types of wagons depending on orders such as open type, closed type 4-wheelers etc. India has already supplied railway wagons and coaches in competition with developed economies to countries in Asia, Africa, Australia and New Zealand, Indian railway wagon components are moving regu-

larly on increasing scale to Bangladesh, Philippines, Czechoslovakia etc. Indian railway components are also finding ready markets in developed countries like FRG, Holland, USA, Australia etc.

Along with the alround development of Indian manufacturing capability in different industrial sectors the standard of technical consultancy services in India has attained a new high. A large number of consulting engineering firms are already rendering project engineering and technical consultancy services from conception to commissioning, design engineering, modern know-how and procurements of sophisticated plant and equipment. The range of consultancy services available includes, among others, integrated consultancy services, covering the entire spectrum of services from feasibility studies to engineering of the project, commissioning and initial operations, management, man-power development, training services etc. Special attention is proposed to be given to project exports so that their present share of 38 percent of total engineering exports is stepped up to 50 percent by 1990-91.

Small Scale Industries (SSI) are contributing roughly 30 percent of total engineering exports, either directly or indirectly. They offer great potential in future by way of taking up completely new items which are gradually being vacated by developed countries. Special programme is being drawn up to mobilise the talent, capacity and production resources of SSI Units.

Programme of Forthcoming Participations in Trade Fairs/Exhibitions Abroad

- | | |
|--|------------------------------|
| 1. Bucharest International Fair,
Bucharest, (Romania) | October 15-23, 1981 |
| 2. Pret-A-Porter Feminin (International)
Exhibition for Ladies Ready-to-Wear
Clothing, Paris, (France) | October 17-21, 1981 |
| 3. Santiago International Trade Fair-FISA'81,
Santiago (Chile) | October 29—November 15, 1981 |
| 4. Indian Exhibition, Bahrain | February, 1982 |
| 5. Indian Exhibition, Nairobi, (Kenya) | March 12-21, 1982 |
| 6. Cairo International Fair, Cairo
(Arab Republic of Egypt) | March 13-27, 1982 |
| 7. Indian Exhibition, Algiers, (Algeria) | May, 1982 |
| 8. Indian Exhibition, Kuala Lumpur
(Malaysia) | November, 1982 |
| 9. Indian Exhibition, London (UK) | November, 1982 |
| 10. Indian Exhibition, Mexico | May, 1983 |
| 11. Hannover International Fair, (FRG) | April, 1984 |

Further information can be obtained from the Manager (Exhibitions), Trade Fair
Authority of India, Pragati Maidan, New Delhi-110001.

FACILITIES FOR INTERNATIONAL EXHIBITORS AT INDIA INTERNATIONAL TRADE FAIR, 1981

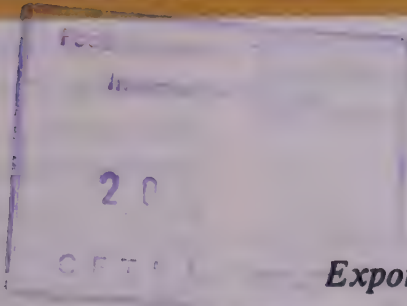
Trade Fair Authority of India (TFAI) will organise India International Trade Fair 1981 (IITF '81) from November 14 to December 4, 1981 at Pragati Maidan, New Delhi. The main objective of the Fair is to promote international trade and encourage new investments in India as well as in third countries. The Fair will project India's allround progress in the fields of industry, agriculture, trade, science and technology. As many as 50 foreign Governments at the national level and more than 3,000 companies from India and abroad are expected to participate in the Fair.

With a view to making foreign participation meaningful, a number of facilities are being provided to the international exhibitors for expeditious disposal of the exhibits displayed by them. These are listed below :—

- (1) Government of India have issued instructions to all Ministries and public sector undertakings that as far as possible, in regard to their import requirements, they should make their purchases from the goods that are displayed by international exhibitors at the Fair.
- (2) The capital goods requirements have been compiled in the form of booklet which is available with TFAI for reference of those foreign governments and firms who wish to participate in the Fair. This will facilitate the concerned Departments to make their selections and order for their purchases from the exhibit that are displayed at the Fair.
- (3) For expeditious disposal of exhibits that are displayed at the International Fair, Government of India have streamlined customs and licensing procedure as under :—
 - (a) Fair Quota to the maximum of Rs. 5 million in foreign exchange per exhibitor has been earmarked for disposal of the exhibits displayed at the Fair.
 - (b) In respect of capital goods upto a value of Rs. 1 million per item, Chief Controller of Imports and Exports (CCI and B) has simplified the licensing procedure to ensure that such licence are issued on the spot.
 - (c) In respect of items of the value of over Rs. 1 million, special meetings of the Capital Goods Committee (CGC) will be convened to ensure that these applications for import licences are disposed of expeditiously.
 - (d) Items falling under Open General Licence (OGL), and Indian importers holding licence for the items of their purchase, will be allowed direct purchases and clearance by the Customs located at Pragati Maidan.
 - (e) Customs and Chief Controller of Imports and Exports offices will be located at Pragati Maidan to facilitate expeditious clearance of goods.
 - (f) As an incentive for developing countries to participate in the Fair, following items of consumer goods which are otherwise banned for import into India, have been permitted for disposal by the developing countries participating in the Fair : handicrafts, garments, jute goods, toys other than electronics, cosmetics, house-hold goods other than electrical and electronics, ladies fashion wear, leather goods, glass-ware, dry fruits, and honey.
 - (g) International exhibitors have been allowed duty-free import of publicity and advertising materials for free distribution during the Fair.
 - (h) To make participation more attractive, several other relaxations in regard to customs and licensing regulations have been agreed to by the Government

The licence fee will be Rs. 100 per square metre for open area and Rs. 400 per square metre for covered area. Foreign participants will, of course, be required to pay the fee in foreign exchange. Further details may be obtained from the Trade Fair Authority of India, Pragati Maidan, New Delhi-110 001.

economic and commercial news



News Highlights

Export Performance and Potential

India Participating in Santiago Fair

The Trade Fair Authority of India (TFAI) is organising India's participation in the Santiago International Fair from October 29 to November 15, 1981. This will be India's third successive participation in this Fair. The participation aims at generating interest for Indian products in Chilean and neighbouring markets and promoting business deals. Retail sales of select Indian products will also be organised at the India Pavilion.

Excise Rebate on Tea

The Government of India have decided to grant full rebate of excise duty on unblended tea exported directly from the gardens. The Government have also decided to allow a rebate of basic excise duty of 40 paise per kilogram and the consequent special excise duty of four paise per kilogram on exports of blended tea.

Further, a drawback in respect of customs and excise duties paid on packing materials such as aluminium foils, plywood, etc., used in the export of tea has also been announced.

India and Ghana Sign Trade Agreement

A trade agreement has been concluded between India and Ghana recently in New Delhi. The Agreement was signed by Mr. Pranab Mukherjee, Union Minister for Commerce, Steel and Mines and Mr. Vincent Bulla, Minister of Trade of the Republic of Ghana, on behalf of their respective countries.

The Agreement provides for the most-favoured-nation treatment to exports and import from either country and in all other matters relating to bilateral trade.

Diamonds have been included in the list of items for export from Ghana to India in the Trade Agreement.

The Agreement lists several items for imports and exports between the two countries. The list of imports from Ghana to India includes among others, diamonds, gold, cocoa beans and products, sawn timber, railway sleepers, timber products, knocked-down furniture, coffee and pineapples (fresh and canned). The items for export from India to Ghana include, among others, tea, spices including pepper and cardamom, oilcakes, tobacco (unmanufactured/manufactured), rice, marine products, cotton piecegoods handloom and mill made, silk/art silk fabrics, woollen fabrics, raw jute/jute manufactures, agricultural machinery and equipment, industrial plant and machinery, transport vehicles (passenger and cargo) and their parts and accessories, iron and steel items, including structurals,

Indo-Canadian Cooperation in Aero-space

Broad areas of cooperation in the field of aero-space were identified at New Delhi recently when the visiting Canadian Minister for Immigration and Manpower, Mr. L. Axworthy held talks with Mr. A.P. Sharma, Union Minister for Tourism and Civil Aviation.

The talks covered the whole gamut of air industry including development of airports, aircrafts, air services and the feeder services in India and Canada.

Air teams of both the countries would formalise these details at their formal talks in the last week of November in New Delhi.

Paradip Steel Plant

The Government of India have considered the various offers for the setting up of a Steel Plant at Paradip in Orissa State, and decided to entrust the work to M/s Davy McKee subject to satisfactory settlement of the terms and conditions relating to technical, commercial, financial and other related aspects pertaining to the project and its implementation.

Contents

Export Performance and Potential

India and Ghana Sign Trade Agreement	1
Improving Export Prospects	3
Notable Business at India Pavilion in Budapest Fair	3
Promoting Joint Ventures Abroad	3
RBI's Revised Procedure for Foreign Deals	4
India to Share Aviation Expertise with Developing Countries	4
Industrial Growth and Diversification	
Promoting Small Industries Growth	5
More Irrigation Projects in Sixth Plan	6
New Banks Opened in Rural Areas	7
Industrial Dispersal Integral to Industrial Development	8
Science and Technology	
Replacement of Petrol by Alcohol	9
New Ophthalmoscope Developed	9
Atomization of Titanium Alloys	9
Development of Road Transport in India	10

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this Journal.

bars, pipes and tubes, industrial castings, forgings and fasteners, diesel engines, compressors and their parts, electrical accessories and appliances, miscellaneous manufactured articles (scientific and surgical instruments, oil lamps and stoves, abrasives and grinding wheels, ball and roller, bearings etc), chemicals and allied products, electronic items, feature films, including short documentary films, and finished leather.

The Agreement sets up a Joint Committee consisting of representatives of both the countries in order to facilitate the implementation of the Agreement. The Joint Committee shall meet once a year, or as often as may be mutually agreed, alternately in Accra and Delhi.

Within the purview of this Agreement, the Committee shall, inter-alia; keep under review the implementation of the provisions of this Agreement; exchange information on regulations pertaining to trade and industry relevant for the purpose; examine measures for the solution of problems which may arise in the implementation of this Agreement or in the course of development of trade between the two countries; consider proposals made by either government within the framework of this Agreement aimed at further expansion and diversification of trade between the two countries; and identify appropriate areas of industrial co-operation, particularly those which offer prospects for the development of mutually beneficial commercial exchanges.

For promotion of trade between India and Ghana, the two countries have agreed to grant reasonable facilities

for holding of trade fairs and exhibitions by the other party on its territory; exempt from customs duty goods meant for exhibitions and fairs provided these are not sold or otherwise disposed of; and subject to such conditions as may be prescribed, confer duty free admission to equipment temporarily imported for repair purposes, exempt goods imported for processing in bond on the condition that the goods are re-exported after such processing.

The Agreement also stipulates that goods exchanged between the two country except with the prior approval in writing given by respective authorities of the delivering country. It has also been agreed that India and Ghana shall accord the most-favoured-nation treatment to each other's merchant vessels sailing under their flags in respect of all matters relating to navigation, access to the ports open to foreign trade and use of ports and harbour facilities. Any concessions accorded to ships engaged in the coastal trade of either party shall not be available under this Article to the other party.

The Agreement also stipulates that India and Ghana will exempt from import duty and other charges levied in their respective territory, certain items originating in the territory of the other country and not intended for sale. This include samples of no commercial value imported solely for the purpose of being shown for the guidance of exporters; proto-types of engineering goods and samples of no commercial value imported only for securing orders, provided they are not otherwise disposed of without the prior approval of the competent

authorities of the importing country; and trade catalogues, price-lists and advertising materials supplied free of charge.

The Agreement stipulates that all payments relating to trade transactions and commercial services shall be made in convertible currency acceptable to the two parties. This Agreement shall remain in force for a period of three years and its validity shall thereafter be automatically renewed for further periods of twelve months unless notice of termination is given in writing by one party to the other at least 90 days prior to the expiry of the said Agreement.

Improving Export Prospects

Mr. Pranab Mukherjee, Union Minister of Commerce, Steel and Mines, has stressed the need to devise export promotion measures and strategies to meet the country's growing requirements of foreign exchange, taking advantage of the present state of Indian economy, which was showing signs of revival during the last two years.

He was speaking at the 18th Annual General Meeting of the Minerals and Metals Trading Corporation of India (MMTC).

The Minister said that Indian economy today was in a much better shape and the rate of inflation which was nearly 23 percent in early 1980, had declined to about 16 percent year later and was now estimated to be under 10 percent. There had also been an around improvement in core sectors like coal, transport, energy etc. which had imparted a momentum to industrial production with better capacity utilisation. He said that the production of cement,

saleable steel, non-ferrous metals and fertilizers in particular had registered remarkable improvement and the general index of industrial production during the first quarter of the fiscal year had shown a growth of about 12 percent over the corresponding period of last year.

Mr. Mukherjee referred to mounting trade deficit India was facing which had reached a level of over Rs. 50,000 million in 1980-81 and stressed the key role exports had to play in India's planned development. He felt that premier organisations like MMTC, besides others, would have to gear up its activities to meet these challenges.

Mr. Mukherjee asked MMTC to make vigorous efforts to explore new markets and promote new products, even though the beginnings might be on a modest turnover. He urged the Corporation to orient its sights towards the neighbours in Asia as well, from where signals were coming for profitable openings in this sector. There were also other areas in which more developmental and market exploration could lead to increase in volume of business. He felt that the dominant position which canalisation provide to MMTC, should also be used for promoting exports of more and more non-canalised items. Assistance for export production of value-added items could be another area requiring more attention, he added.

The Minister urged the MMTC to extend its trade activities in third countries, keeping in view the fact that so far it was more or less confined to exports from and imports into India. He said that MMTC should now take on the character of a truly international organisation—buying commodities on the international mar-

ket to be sold to other countries. Mr. Mukherjee was confident that MMTC had ability to utilise all available export opportunities, reap profits in emerging markets, and move on to the next as export marketing in a dynamically changing environment requires adaptation and reorientation of strategies on a continuous basis.

Notable Business at India Pavilion in Budapest Fair

Business worth Rs. 20 million was transacted while deals worth Rs. 60 million were under active negotiation at the India Pavilion in the Budapest International Autumn Fair, Hungary. A large number of trade enquiries have also been received which are expected to result in substantial business.

India Pavilion was the second largest pavilion after that of USSR and about one million persons are estimated to have visited it. Twenty-five Indian firms displayed a wide variety of goods. India's participation in the Fair was organised by the Trade Fair Authority of India.

Items which particularly attracted the visitors attention included readymade garments, leather products, cosmetics, bicycle parts, hand tools, stainless steel utensils, pressure cookers, thermos flasks, etc.

Promoting Joint Ventures Abroad

The Government of India has provided a number of facilities inclusive of certain fiscal incentives for helping the Indian entrepreneurs to share their technical know-how and skills with other developing countries and to help

in setting up of Joint Ventures abroad. This was said by Mr. Pranab Mukherjee, Union Minister of Commerce, in Lok Sabha recently.

Listing these facilities, the Minister said that the Government provided for single point clearance for all proposals for setting up Joint Ventures abroad. Normal import replenishment, as available to exporters under the import policy in force from time to time for Registered Exporters was allowed on exports of equipment, machinery etc. towards equity participation. Cash assistance was allowed on exports of machinery and equipment against Indian equity subject to a ceiling of 10 percent of f.o.b. value. However, for exports of machinery and equipment, other than towards equity participation, the normal rates of each assistance were available, he added.

Mr. Mukherjee pointed out that the Government had delegated necessary powers to the Reserve Bank of India to consider requests for release of foreign exchange for conducting feasibility studies and also for meeting preliminary expenses in connection with the setting up of the Joint Venture company, visits of technical and managerial personnel etc. The provisions of the Income Tax Act provided certain tax concessions for setting up Joint Ventures abroad with a view augmenting foreign exchange resources. Section 80-O of the Act exempts whole of the income of an Indian company received by way of royalty, commission, fee etc. from a foreign enterprise in consideration for the use, outside India, of any patent, model, design etc. Under Section 80-N, any income received by an Indian company as dividend on shares allotted by a foreign company in consideration of

any payment, model, design, secret formula or process etc. was also wholly exempt from Income-Tax, he added.

The Minister said that Industrial Development Bank of India (IDBI) through its overseas investment finance scheme extended term export credits for financing equity contribution in Joint Ventures abroad by Indian promoters. Deferred Payment facilities for non-equity exports were also considered by IDBI in the same way as normal exports. Export Credit and Guarantee Corporation through its Overseas Investment Insurance Scheme provided political risk cover for overseas investment, he added.

RBI's Revised Procedure for Foreign Exchange Deals

The Reserve Bank of India (RBI) has decided to effect a change in the procedure governing its deals in foreign exchange with effect from October 1, 1981. As from this day, the Reserve Bank's spot quotations for foreign currencies will be for settlement on the second working day following the date of the deal, whereas under the present practice the spot quotations are for settlement on the same day, the delivery of foreign currencies abroad and the payment in rupees in India being effected on the date of the deal itself. The new procedure will obviate the difficulties arising from delayed settlements, because, under the existing same day settlement arrangements, telex messages often do not reach the foreign centres within the banking hours on the same day. Moreover, the new procedure is in line with the international practice.

In order to enable authorised dealers in foreign exchange to get adjusted to the change in procedure, the Reserve Bank will quote for purchase and sale of sterling from/to authorised dealer on both 'cash' (same day settlement as per the existing practice) and 'spot' (settlement on the second working day basis) for a period of 15 days from October 1, 1981. Thereafter, only spot rates will be quoted. If an authorised dealer requires for any valid reason cover on cash basis, the Bank will be prepared to give special rates for the purpose.

The Reserve Bank has also decided to reduce the spread between its spot buying and selling rates for pound from 10 paise to 8 paise per pound with effect from October 1, 1981. The reduction is being effected so that the clients may get better rates, as it is felt that the present margin of 10 paise actually gets wider in the rates quoted to clients in view of the authorised dealers' margins which are allowed to be added to the rates.

India to Share Aviation Expertise with Developing Countries

Arrangements are being made by the Union Department of Civil Aviation for the training in India of candidates from Tanzania, Yemen, Seychelles, Zimbabwe, Botswana and other countries in flying and aircraft maintenance engineering.

This training programme forms part of the policy decision of the Government of India to share the progress in various fields with developing countries, particularly the non-aligned developing countries. The expertise even in those fields will be shared where India is yet to achieve self-sufficiency.

This was stated by Mr. A. P. Sharma, Union Minister for Tourism and Civil

Aviation at a recent meeting of the Consultative Committee of Members of Parliament attached to his Ministry. The members were informed that India also participated in a three-day Seminar organised by the Pacific Area Travel Association (PATA) at Aurangabad to discuss a wide variety of subjects including promotion of tourism research as a tool for planning and marketing. The Seminar was attended by delegates from Sri Lanka, Nepal, Bangladesh and the Republic of Maldives.

In the field of airport consultancy and construction, the International Airports Authority of India (IAAI) has been awarded the consultancy work for the development of Sibul Airport in Malaysia.

The India Tourism Development Corporation (ITDC) had recently arranged hotel management courses in New Delhi which were attended by candidates from many developing countries. Mr. Sharma informed the members that in the field of meteorology, India was providing training to nominees from the developing countries. Mr. Mauro, J. Bautista, a nominee of the Philippines Government, joined the two-year International Post-graduate Course in Hydrology at Roorkee University in July, 1981 under a World Meteorological Organisation (WMO) fellowship. Also, Mr. Wilson E. Banda, a nominee of Government of Zambia, arrived at Pune on July 21, 1981 for a six-month training in Meteorological Instrumentation on a fellowship awarded to him by the Government of India under the Voluntary Cooperation Programme of WMO.

The Members of the Consultative

Committee were informed that during the current financial year, the Civil Aviation Department has already completed development works at a number of aerodromes in the country at a cost of Rs. 35.3 million. Works costing Rs. 18 million have been sanctioned for the development of airports in the North-eastern region where Vayudoot services are operating.

The Minister also announced that both Air India and Indian Airlines would be able to show profits at the end of the financial year irrespective of the fuel hikes. He said that Air India was making a profit of Rs. 10 million every month. Indian Airlines would acquire four Boeing and two Airbus aircrafts well in time to meet the projected traffic demand of the Corporation including that on account of the Asian Games in 1982.

Mr Sharma accepted the suggestion made by several members that a Conference of the Tourism Ministers of State Governments should be convened to impress upon the States the need to promote tourism in a big way.

The members were informed that during January-July, 1981 464,789 international tourists visited India recording an increase of 7.2 percent over the corresponding period of last year. This trend will further improve because of efforts of the Department of Tourism.

Industrial Growth and Diversification

Promoting Small Industries Growth

To accelerate development of small-scale industries, a carefully worked-

out time-bound programme for ancillary development is being drawn up with a view to ensure further dispersal of industries and growth of entrepreneurship.

This was stated recently by Mr. Mohammad Fazal, Member, Planning Commission. Mr. Fazal was delivering the keynote address at the Convention of Small Industries organised by the federation of Associations of small Scale Industries of India. The Convention was earlier inaugurated by Mr. Narayan Datt Tiwari, Union Minister of Industry and Labour.

Mr Fazal said that a programme for establishment of nucleus plants in industrially backward districts had been taken up to generate a spread-out network of small-scale industries. A large number of small units could be developed in a backward district and a nucleus plant set up to provide common facilities, design and documentation, testing facilities, as well as marketing support. The services were to be so designed as to ensure technological competence, manufacturing excellence and effective marketability of the products of small industries clustering around them.

In a different setting, the nucleus plant could basically be set up to provide for assembly as also in house production of items which cannot be procured from ancillaries. The other assemblies and sub-assemblies and components would be off-loaded to a large number of ancillaries and which would be producing to the designs and specifications of the nucleus plant. Efforts would also be made to persuade large-scale producers to off-load production of parts and components to ancillary units. For ensuring

prompt payment of dues to small units, the question of fixing sub-limits in the overall credit limits of large scale units as well as penal rates of interest on overdue outstandings would be examined.

The Sixth Five Year Plan provided a package of measures, alongwith financing arrangement, to achieve the projected growth rate in this sector. Elaborating the measures envisaged, Mr. Fazal said the Plan provided for increased availability of raw materials, including creation of buffer stocks, particularly of critical raw materials. Underlining the need for development of appropriate technologies and skills, he said that a programme of modernisation of selected industries had been taken up with a view to creating an awareness and identification of the problems of productive efficiency. Under the Training of Youth for Self-employment Programme (TRYSEM) efforts were being made to upgrade skills in enterprises.

Mr. Fazal said that under the Sixth Plan the value of output of small-scale industries was expected to rise from Rs. 216,350 million in 1979-80 to Rs. 328,730 million in 1984-85. The employment in this sector was expected to go up from 6.7 million to 8.9 million persons, and exports from Rs. 10,500 million to Rs. 18,500 million during the Sixth Plan period.

A total investment of Rs. 136,000 million had been earmarked in the Plan to support the physical targets in the decentralised sector, the Member said. The public sector Plan investment would be in the form of margin money assistance, capital subsidy, creation of infrastructure

facilities, and investment in the share capital of financial, promotional and developmental Corporations. The bulk of the investment would be from financial institutional promoters' own resources and non-institutional sources.

Referring to concessions, Mr. Fazal said that 834 items had been reserved for exclusive production in the small-sector. The productions in the small-scale sector were also given price preference in Government purchases upto 15 percent over those of the organised sector. More items were being identified for exclusive purchase from the small-scale industries. It had also been decided to have graded reservation lists for purchases from the small-scale sector, the items to be identified on the basis of production and supply capabilities of the small scale units and having regard to the actual supplies made by them in the recent past.

Mr. Fazal also underlined the need for building up a sound statistical base and for establishing regular flow of statistics of small-scale industries which would help in proper formulation of developmental programmes and subsequent evaluation of the progress achieved. Small-scale units should get themselves registered so that data on production, employment, investment etc., was available on a more comprehensive basis. He disclosed that a monitoring and evaluation cell was proposed to be set up for regular and systematic monitoring of various promotional policies and programmes and for assessing the impact of different policy measures taken by the Government from time to time.

More Irrigation Projects in Sixth Plan

Seventeen Irrigation Projects in Rajasthan are likely to be completed in the Sixth Plan. Of these, four are major projects which include Mahi Bajajsagar (Unit I and Unit II), Rajasthan Canal (Stage-I) and 13 medium projects. An outlay of Rs. 307.5 million has been provided for these projects for 1981-82 and the anticipated expenditure in 1980-81 is Rs. 290.5 million.

Mr. Z.R. Ansari, Union Minister of State for Irrigation gave this information in Lok Sabha recently. He informed the House that no project was likely to be completed in 1980-81. However, one major project, namely Rajasthan Canal (Stage-I) and one medium project, namely Harishchandra Sagar were likely to be completed in 1981-81.

Mr. Ansari said that an outlay of Rs. 10,507 million had been approved by the Planning Commission for irrigation schemes including Command Area Development works in Bihar during the Sixth Plan (1980-85).

The Minister further stated that three projects for the utilization of the flow of three Eastern Rivers viz. the Ravi, the Beas and the Sutlej had been completed. These projects are Bhakra Dam constructed on River Sutlej in 1963; Beas Dam at Pong in 1974, and Beas Sutlej Link in 1977.

Except for about One M.A.F. (average) annual flow of water of the River Ravi, the balance 32 M.A.F. (average) waters of the three rivers are being more or less fully utilized. This One M.A.F. of Ravi would also be utilized

when Thein Dam now under construction is completed in about eight years' time.

Mr. Ansari said that under the Indus Waters Treaty, 1960, the entire flow of three Eastern Rivers viz. the Ravi, the Beas and the Sutlej became available for exclusive use by India at the end of transition period in 1970. India's contribution of Rs. 983.6 million, through the World Bank was, however, towards the cost of replacement works in Pakistan of such irrigation systems which were dependent on the Eastern Rivers at the time of partition.

New Banks Opened in Rural Areas

According to a press release of the Reserve Bank of India, the year ended June 1981, the twelfth year of the nationalisation of 14 major banks, witnessed remarkable progress in the branch expansion of commercial banks. No fewer than 2,773 new bank offices were opened during the first ten months (July 1980—April 1981) of the year. Unbanked centres continued to receive the special attention of banks. Three out of every four new offices were opened in such centres. The number of such offices actually opened was 2,062, against 711 offices opened in banked centres. With the opening of 2,773 new bank offices during the ten-months period from July 1980 to April 1981, the average population per bank office for the country as a whole came down to 19,000 as of April 1981 from 20,000 in June 1980 (based on mid-year population estimates); the average as of June 1969 (before nationalisation) was 65,000.

With the 2,773 bank offices opened

during the year upto April 1981, the total number of new bank offices, opened since July 1966 and upto the end of April 1981 comes to 27,668 of which more than half i.e., 15,227 offices have been opened in unbanked centres. The total number of bank offices as at the end of April 1981 was 35,192, against 32,419 in June 1980 and 8,262 in June 1969.

Out of the 2,773 new offices opened during the period July 1980-April-1981 the 28 public sector banks accounted for 1,784 offices, regional rural banks (RRB) for 762 offices and private sector banks for 227 offices.

Rural centres continued to have a significant share in branch expansion during the year 1980-81. The number of rural bank offices at the end of April 1981 was 17,230 (representing 49.0 percent of the total number of offices), against 15,101 offices (representing 46.6 percent of the total) in June 1980. As of June 1969, it may be noted here, the number of rural bank offices was only 1,832, representing 22.4 percent of the total 8,262 offices. As in the previous years, the relatively underbanked States accounted for a significant share of the new bank offices opened during the year under review. Following the establishment of a large number of new bank offices in these States, the average population per bank offices has gone down in all of them.

The progress made by commercial banks in branch expansion in the past year was in line with the broad objectives of the branch licensing policy evolved by the Reserve Bank in 1978 covering the three years 1979 to 1981. The objectives were opening of

additional bank offices in deficit districts (i.e. districts in which the average population per bank office, was above the national average of 20,000) in rural and semi-urban areas in order to bring them on par with the national average; a time-bound programme to cover all unbanked block headquarters in the country by bank offices before the end of 1980; establishment of new RRBs and opening more branches of existing RRBs wherever necessary; allowing Lead Banks to open more branches in their lead districts to enable them to discharge their lead responsibilities. These broad objectives have, by and large, been achieved.

A new branch licensing policy, covering a longer period of 39 months from January 1982 to March 1985, is being finalised. The new policy will continue to be strongly raised in favour of opening offices in rural and semi-urban centres. Special attention is proposed to be paid to the covering unbanked pockets in less excessible areas of different States. While selecting such centres for branch expansion, factors such as potential for mobilisation of deposits and grant of advances, availability of banking facilities nearby, and other special features of the regions will be taken into account. The States Governments will be consulted regarding the location of bank offices in rural and semi-urban areas, as well as the types of bank offices (commercial, rural or co-operative) suited for the centres. Priority will be given to RRBs for opening branches in districts where they have been set up or are proposed to be set up.

In keeping with the policy objectives,

commercial banks continued to ensure an increasing flow of funds to priority sectors—agriculture, small-scale industries, transport operators, professionals/self-employed persons and retail trade/small business. The priority sectors together accounted for advances amounting to Rs. 7,990 million outstanding as at the end of December 1980, against Rs. 64,850 million in December 1979. The share of these sectors stood at 33.7 percent in December 1980 against 31.5 percent in December 1979. In pursuance of the recommendations of the Working Group (constituted by the Reserve Bank) on Priority Sector lending and the 20-point Programme, the Reserve Bank has indicated the action to be initiated by banks for giving effect to the recommendations. An overall target of 40 percent of total bank credit has been fixed in respect of priority sectors to be achieved by 1985. Within the priority sector advances, banks have been asked to give increasing attention to the credit needs of the under-privileged sections of the society as identified by the Working Group.

Deposits of commercial banks registered a significant expansion during the year 1980-81. Total deposits as on the last Friday of March 1981 stood at Rs. 373,710 million against Rs. 317,590 million a year before and Rs. 45,460 million in June 1969.

Industrial Dispersal Integral to Industrial Development

The special one-day meeting of Ministers of Industry of States and Union Territories convened by the Union Minister of Industry, Mr. N.D.

Tiwari recently at New Delhi to discuss the recommendations on industrial dispersal made by the National Committee on the Development of Backward Areas recognised that industrial dispersal was integral to the total strategy of industrial development.

The Committee had in its report to the Planning Commission made various recommendations regarding the criteria for declaration of backward areas, the strategy of setting up of growth centres for infrastructure and industrial development and generally for the encouragement of entrepreneurship and small scale and ancillary industries in backward areas. The Minister for Planning and Member (Industry) and Member-Secretary, Planning Commission also attended the meeting. The Chief Ministers of three States viz. Gujarat, Haryana and Rajasthan and Ministers of Industry of 20 States and Union Territories including the Lt. Governor, Delhi, participated in the discussion. The Plan Document assumed a rate of industrial growth of 8 percent. Industrial dispersal so was seen in this context to be an instrument towards acceleration of this process of growth. The Sivaraman Committee's report was thus intended to provide a new orientation as part of a composite and integrated development package.

During discussions there was recognition by all concerned of this wider perspective to the problem and also of the massive action frame required to implement it. On the question of the suggested criteria of cut-off distance from a developed centre, it was pointed out that smaller States, tribal areas, hill areas etc. may not find this

criteria applicable. Further backward pockets in the vicinity of developed centres in industrially advanced States like Maharashtra, Gujarat, Tamil Nadu etc. would be affected by the application of the cut-off distance criteria. In the same manner there was some difference of opinion regarding Committee's suggestion to allocate growth centres in a 70 : 30 ratio between backward and developed States.

A heartening feature of the discussions was the uniform welcome accorded by all to the strategy of development through the nucleus plant programme. Some participants requested that the Centre should decide early the incentive package to be available to investors in nucleus plant locations. A point was made by some representatives of North-Eastern States about their special problems which cannot be tackled by any uniform criteria for determining backward areas. It was indicated to them that the Industrial Dispersal report had taken note of this. Further suggestions are awaited in a report on the North-East from the National Committee. In a similar manner problems of backward and hilly areas will also have to be tackled separately.

After the representatives of financial institutions and planning Commission had taken part, the Minister of Industry summed up the discussions which he considered to be detailed and fruitful. He emphasized the considerable area of agreement on the need for and policies towards industrial dispersal. Noting that in regard to criteria for defining backward areas, selection of growth centres and

the related institutions for infrastructural development, there were differences in views, the Minister promised that the various views expressed on these issues would be given careful consideration by the Central Government. He hoped, that it would be possible to evolve a scheme generally acceptable and conducive to industrial dispersal. The Central Government would take necessary steps in this regard after due interministerial consultations. The special problems of the North-Eastern regions and hill areas would be kept in mind while doing so.

Science and Technology

Replacement of Petrol by Alcohol

Several scientific and engineering institutions such as Indian Institute of Technology, Madras and New Delhi, Anna University, Madras, Indian Institute of Petroleum, Dehradun, the Research Wing of the Indian Oil Corporation, Faridabad etc. are actively engaged in studies relating to the replacement in the use of petrol by alcohol. These studies have proved the technical feasibility of using gasohol (20 percent alcohol plus 80 percent petrol mixture) as an automobile fuel blend without any change in the engine. Higher percentages of alcohol are also feasible with some changes in the engine.

However, commercialisation in this regard is not being pursued due to lack of availability of surplus alcohol. Research and Development efforts are being directed towards substantially increasing the alcohol production by

improving the process efficiencies, using a variety of feed materials and increasing their production.

This information was given in the Lok Sabha recently by Mr. C.P.N. Singh, Union Minister of State for Science and Technology, Electronics and Environment.

New Ophthalmoscope Developed

The Central Scientific Instruments Organisation, Chandigarh (CSIO) has developed a new ophthalmoscope.

Ophthalmoscope is an optical instrument which is used to examine the interior of the eye and to estimate the refraction error and its nature. The instrument works on the principle that very little light can enter the eye through the pupil and that some of it is reflected back along the same direction of entry. This could be appreciated by an observer only if his own pupil lies in the path of the light rays.

The instrument is of self illuminated type. source of light is an ordinary torch lamp, powered by two cells. The light is condensed and an aperture is illuminated, which is then projected with the help of a projection lens and a prism. When the light beam is viewed by an observer, the fundus of his eye gets illuminated. The reflection from the fundus is received through a viewing operture, intercepted by a lens fitted in a lensatic disc. Lenses of various powers are fitted on this rotating disc. By suitably selecting the power of lens in the disc, it is possible to examine the posterior segment of the eye and to estimate the refractive error of the eye.

At present, the demand for ophthalmoscopes is being met through imports, though indigenous production exists at a low level. With the availability of the present know-how, it is expected that the imports could almost be eliminated. The cost of an imported instrument works out to Rs. 1,000 per piece while the manufacturing cost of the device as per the present know-how is expected to be Rs. 200 per piece.

Atomization of Titanium Alloys

The National Aeronautical Laboratory, (NAL) Bangalore has developed a process for atomization of titanium alloys. The process is capable of producing 10 kg alloy powder per day.

The processing of titanium alloys in conventionally forming the complex shapes of compressor discs and blades involves considerable machining which generates a large amount of scrap as much as 84 per cent of the starting material could be lost as scrap. Owing to the stringent purity requirements of titanium alloys for critical applications, the scrap generated cannot be easily recycled. The cost of the finished product reflects the considerable scrap loss as well as the expensive machining involved. Also, the complex alloys when conventionally formed can show considerable segregation of the alloying elements leading to poor mechanical strength and reliability.

The NAL process consists in centrifugal atomization in vacuum off a rotating rod whose tip is continuously melted by an electron beam.

This process does not require high-purity inert gases as needed in the rotating electrode process developed in USA and in the centrifugal shot casting process developed in U. K. Also, the NAL process avoids deleterious tungsten pick up by employing electron beam melting. The high vacuum ensures clean, pore-free powder that will lead to good reliability in the formed components.

With a view to developing a viable powder metallurgy route for titanium alloy components, work is under way jointly with Defence Metallurgical Research Laboratory, Hyderabad.

*Development of Road Transport in India**

Development of road transport is inextricably linked with the development needs of a country's economy. Although India is a developing country, it has an extensive road network which serves all types of surface transport vehicles-trucks, buses, cars, tractors, animal-drawn carriages, scooters/mobikes and bicycles. Apart from carrying traffic independently from point to point, our road system is the main feeder to the rail system, airports, major ports, and harbours. They connect state capitals, industrial complexes and places of tourist importance and provide links to the foreign National Highways and thus form part of an integrated transport network. In almost all areas not served by railways, roads are the only means of transport and communications. Roads are also

one of the basic infrastructures for socio-economic development, particularly of backward and tribal areas.

In earlier times roads were needed for trade, conquest, and most important, civil administration. The real pressure for road development started mounting up with the advent of bicycle and later the automobiles. The increase in automobile traffic requires more roads and better road surface. While the history of road development in India goes back to the early ages, organised effort at road building at the national level in the recent past may be traced to the year 1929, when the Jayakar Committee considered schemes for improvement of the road system in a comprehensive manner. It was on the recommendations of this Committee that the role of the Central Government in regard to development of road system was recognised. Later, in 1943, Chief Engineers-in-charge of roads in the country met at Nagpur to consider requirements of the road system over a twenty-year period beginning December, 1943. The Nagpur Plan classified roads as national highways, state (or provincial) highways, district roads and village roads, and prescribed standards, norms and targets for road development of various categories.

The present total length of road network in the country, excluding the Urban Roads and Project Roads, is about 1200,000 Km comprising around 31,000 Km of National Highways, 370,000 Km of Rural Roads. Although a lots of achievements have been made including widening to 2-lanes of thousands of kilometers and construction of hundreds of bridges on National Highways (N.H.) and expansion of

road network by 200 percent during the past thirty-four years after independence, we have still to go far. For instance, 55 percent of our villages have yet to be provided with all weather roads. And within the framework of the road system, predominant role is held by National Highways which are the main arteries running through the length and breadth of the country. While in 1947, the NH length was 21,440 km. today it stands at 31,358 km and can be said to serve all States. While they constitute 6 percent length of surfaced road length, they carry about 25 to 30 percent of total road transportation load. However, there are several deficiencies requiring attention such as widening of 7,300 km. of single-lane roads to two lane, strengthening of pavement in a length of over 12,000 km. reconstruction of about 200 major bridges and 2,000 medium and minor bridges. Similar is the situation with respect to State Roads. A broad assessment of the deficiencies in respect of both quantity and quality of the road network has indicated that investments to the tune of Rs. 25,000 million for Primary Roads comprising National Highways, Rs. 40,000 million for Secondary Roads comprising State Highways and Major District Roads and Rs. 110,000 million for Rural Roads would be involved for having a road system capable of handling the foreseeable transport demands of the country. The financial requirement being heavy leaves no other choice to us but to think in terms of phased development of each of the three groups of roads, all the three categories to be developed in a balanced manner.

* (By Mr. Buta Singh, Union Minister of State for Shipping and Transport)

Though in principle the terms 'roads' and 'highways' are synonymous, in practice 'highways' is used only for more important thoroughfares. The term 'road' is used in a narrow sense to denote routes of minor or local importance, but it also retains its broader meaning of any prepared route on land destined for the movement of goods and persons.

Under the Constitution, the Government of India is primarily responsible for the development and maintenance of roads declared as National Highways. Besides this, Government of India also provides loan assistance to States for road and bridge works of Inter-State and/or economic importance. The Government also provides financial assistance by way of grants-in-aid for the schemes of road communications in the Sensitive Border Areas and Strategic Roads.

In so far as National Highways are concerned, the achievements during the period April 1, 1947 to March 3, 1981 is as under :-

- (i) New construction/missing links, bypasses, diversions etc. 4,380 km.
- (ii) Major bridges (missing) damaged, weak, narrow and (submersible). 354 Nos.
- (iii) Improvement of low-grade surface. 23,000 km.
- (iv) Widening of single-lane sections to double-lane carriageway with or without strengthening. 20,000 km.

It may also be mentioned that substantial achievement has been made in the activity of bridge construction of

National Highways. About 354 major bridges including missing bridges have since been completed. And, over 3,000 weak and narrow medium and minor bridges have been replaced by constructing stronger and wider bridges in their place.

In financial terms, expenditure aggregating to about Rs. 9,500 million has been incurred on the, development/improvement works on the National Highways System since 1947 upto March, 1981. During the current financial year, an amount of about Rs. 1,000 million proposed to be spent on the development of National Highways in the country. It has been broadly assessed from the input made so far which works out to Rs. 310,000 per kilometer, while at the same time the input per kilometer for the other State roads of all categories has been of the order of Rs. 30,000 per kilometer.

Even with this input, the development of National Highways has lagged behind both in the road length and in the load carrying capacity. The present National Highways network is grossly inadequate to meet the traffic needs. The route length consists only 6 percent of the total surfaced road length in the country. Moreover, 37 percent of the NH network is still single-lane in width. The traffic intensity on some important sections requires total improvement including multi-laning particularly at the approach to the metropolitan and other industrial complexes. There are still some bridges and culverts which are narrow, weak or submersible and require reconstruction and upgradation.

The need and urgency for promoting the operations of truck-trailer combi-

nations and heavy axle load vehicles in the country have been felt and recognised with a view not only to facilitating the transporting of goods at economical cost but also to help achieve savings in fuel consumption which is of considerable importance to the country. To achieve this, the total length of the major arterial routes requiring strengthening has been evaluated as 12,000 km. to start with, during the 1980-85 Plan, it is proposed to tackle about 3,500 km. for which an outlay of Rs. 600 million has been earmarked.

Apart from the developmental activity of the National Highways System, due attention is being paid on the activity of Highway Research and Development and Planning Studies to keep pace with the latest design techniques being evolved in other developed countries. In this connection, the Organisations both at the Centre as well as at the State levels are being strengthened to drive adequate benefits. The Planning Commission have approved an outlay of Rs. 8,300 million for the development of roads in the Central Sector Programme during the 1980-85 Plan. This, inter-alia, includes an outlay of Rs. 6,600 million for the development/improvement of National Highways. Of this, an outlay of Rs. 2,500 million is meant for completing the 'on-going' works in this Plan period and Rs. 500 million for the development of roads which are to be added to the National Highways system in this Plan period and another Rs. 600 million for further strengthening the major arterial routes for promoting truck-trailerisation so as to economise in the fuel consumption. The balance amount of Rs. 3,000 million is for the improvement of the existing National Highways system to meet the traffic needs.

FACILITIES FOR INTERNATIONAL EXHIBITORS AT INDIA INTERNATIONAL TRADE FAIR, 1981

Trade Fair Authority of India (TFAI) will organise India International Trade Fair 1981 (IITF '81) from November 14 to December 4, 1981 at Pragati Maidan, New Delhi. The main objective of the Fair is to promote international trade and encourage new investments in India as well as in third countries. The Fair will project India's allround progress in the fields of industry, agriculture, trade, science and technology. As many as 50 foreign Governments at the national level and more than 3,000 companies from India and abroad are expected to participate in the Fair.

With a view to making foreign participation meaningful, a number of facilities are being provided to the international exhibitors for expeditious disposal of the exhibits displayed by them. These are listed below :—

- (1) Government of India have issued instructions to all Ministries and public sector undertakings that as far as possible, in regard to their import requirements, they should make their purchases from the goods that are displayed by international exhibitors at the Fair.
- (2) The capital goods requirements have been compiled in the form of booklet which is available with TFAI for reference of those foreign governments and firms who wish to participate in the Fair. This will facilitate the concerned Departments to make their selections and order for their purchases from the exhibit that are displayed at the Fair.
- (3) For expeditious disposal of exhibits that are displayed at the International Fair, Government of India have streamlined customs and licensing procedure as under :—
 - (a) Fair Quota to the maximum of Rs. 5 million in foreign exchange per exhibitor has been earmarked for disposal of the exhibits displayed at the Fair.
 - (b) In respect of capital goods upto a value of Rs. 1 million per item, Chief Controller of Imports and Exports (CCI and E) has simplified the licensing procedure to ensure that such licence are issued on the spot.
 - (c) In respect of items of the value of over Rs. 1 million, special meetings of the Capital Goods Committee (CGC) will be convened to ensure that these applications for import licences are disposed of expeditiously.
 - (d) Items falling under Open General Licence (OGL), and Indian importers holding licence for the items of their purchase, will be allowed direct purchases and clearance by the Customs located at Pragati Maidan.
 - (e) Customs and Chief Controller of Imports and Exports offices will be located at Pragati Maidan to facilitate expeditious clearance of goods.
 - (f) As an incentive for developing countries to participate in the Fair, following items of consumer goods which are otherwise banned for import into India, have been permitted for disposal by the developing countries participating in the Fair : handicrafts, garments, jute goods, toys other than electronics, cosmetics, house-hold goods other than electrical and electronics, ladies fashion wear, leather goods, glass-ware, dry fruits, and honey.
 - (g) International exhibitors have been allowed duty-free import of publicity and advertising materials for free distribution during the Fair.
 - (h) To make participation more attractive, several other relaxations in regard to customs and licensing regulations have been agreed to by the Government.

The licence fee will be Rs. 100 per square metre for open area and Rs. 400 per square metre for covered area. Foreign participants will, of course, be required to pay the fee in foreign exchange. Further details may be obtained from the Trade Fair Authority of India, Pragati Maidan, New Delhi-110 001.

economic and commercial news

News Highlights

New Managing Director of TFAI

Mr. R. Ramakrishna has joined as Managing Director, Trade Fair Authority of India (TFAI). Earlier, he was Joint Secretary in the Union Ministry of Commerce, where he was incharge of Textiles Division for over five years.

Mr. Ramakrishna hails from Tamil Nadu and is M. A. (Economics) and Bachelor of Laws. He joined the Indian Administrative Service in 1957 and belongs to the Rajasthan Cadre. He has held a number of responsible positions both with the Government of Rajasthan and with the Central Government, mainly in the fields of International Trade Policy, Textiles and Financial Management. In Rajasthan, in addition to other assignments, he was Finance Secretary.

Mr. Ramakrishna has also been a Consultant with the United Nations and has attended a course at the Graduate Institute of International Studies of Geneva University.

Romanian President Visits India Pavilion at Bucharest Fair

Mr. Nicolae Ceausescu, President of Romania, visited India Pavilion at

Export Performance and Potential

Trade and Industrial Cooperation between India and Hungary

India has offered to Hungary a basket of non-traditional products for exports, for increasing and diversifying the trade between the two countries. These items include components and parts of cement mill, components for automotive engines such as piston, cylinderliners, gaskets, storage and dry cells batteries, spark plugs, leaf springs for automobiles and railways, power station equipments like seamless tubes, boiler feed pumps, electronic components like capacitors, connectors, switches, relays and integrated circuits, air and gas compressors and submersible centrifugal pumps, textile machinery, machine tools, hand tools, precision, pneumatic, electrical and garden tools, refrigerators, cassettes, air conditioners, electric iron, cooking range and electric presses, bicycle and its parts and spares, industrial fasteners and cosmetics and toiletries including detergents.

This was indicated in a meeting held at New Delhi recently between Indian and Hungarian trade delegations led by Mr. Pranab Mukherjee, Union Minister of Commerce, Steel and Mines and H.E. Mr. Peter Veress, Hungarian Foreign Trade Minister, respectively. The two Ministers discussed a wide range of bilateral issues including trade, industrial cooperation, joint ventures in India as well as in third countries and multi-lateral topics like cooperation in various UN fora like UNCTAD and GATT and the North-South dialogue.

The Commerce Minister expressed satisfaction that during the last three

Bucharest International Fair, 1981. He was received by the Indian Ambassador Mr. K. Gajendra Singh who took him round the Pavilion. The President was accompanied by the Prime Minister and other senior members of the Government. India's participation in the Fair was organised by the Trade Fair Authority of India.

The Fair was inaugurated by the President of Romania on October, 15 and it continued till October 23, 1981. India's industrial advancement in various fields is being presented through a photographic exhibition and audio-visual shows. 'India Day' was celebrated at the Fair on October 21, 1981.

India Bags Orders at Toronto Exposition

Orders valued at Rs. 33 million were booked by Indian companies participating in Industrial Exposition at Toronto (Canada) which concluded on October 2, 1981. Besides, the Indian companies registered trade enquiries worth Rs. 61 million. Indian trade representatives numbering about 2,400 visited the Exposition. The contacts established by Indian companies are expected to result in appointment of distributors for various Indian products displayed at this Fair.

Contents

Export Performance and Potential

Trade and Industrial Cooperation between India and Hungary	1
India to Undertake Rail Line Survey in Algeria	3
Rs. 50 Million Credit to Ghana by India	3
Freeze Dried Shrimp Exports by India	4
IAAI Completes Hulule Airport Project in Maldives	4
Industrial Growth and Diversification	
Bulk Drugs and Formulations-Excess	5
Capacity Regularisation Policy	2
New Coal and Mineral Reserves Discovered	6
Improved Performance of Small Industries	6
Additional Capacity for Finished Leather on Selective Basis	7
Science and Technology	
Manufacture of Alternative Sweeteners	8
Porous Polymer Process Developed	8
Indian Machine Tool Industry	9

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this Journal.

decades the turnover of trade had risen steadily from Rs. 2.1 million in 1953 to Rs. 191 million in 1963 to Rs. 320 million in 1973 and had touched a figure of Rs. 458 million in 1980. During this period 23 projects had been set up with Hungarian collaboration ranging from manufacture of machinery and explosives to fruit juices, medicines, electric lamps and tubes and power projects, both hydro and thermal.

Mr. Mukherjee, however, pointed out that during the last five years, 1976 to 1980, India had been having consistently an unfavourable balance of trade with Hungary. In this connection, he stressed the need for diversification of trade between India and Hungary and more intake of non-traditional Indian products to Hungary.

The Hungarian Foreign Trade Minister welcomed the suggestion of Mr. Mukherjee and assured that his country would consider the products offered by India for imports. He pointed out that India was becoming an important source of supply of material for engineering goods for Hungary. He also informed the Commerce Minister that a Hungarian business delegation would study the Indian market for increasing bilateral trade.

The Commerce Minister said that in order to correct the existing imbalance, Hungary could consider the possibility of buying a certain percentage of the products of Indo-Hungarian collaboration projects in India. The items could include GLS lamps, fluorescent, tubes, fruit juices, cables, meters, instruments and medicines produced in factories set-up in various parts of India with Hungarian collaboration.

The two Ministers also discussed the possibility of setting up more joint ventures in India as well as in third country markets. The Commerce Minister pointed out that the bids made by Hungarian companies could become more competitive in global tenders if they associated and supplemented their capabilities by subcontracting construction activities and employing medium level skilled technical personnel and unskilled manpower from India. The possible areas of cooperation would be construction of buildings, bridges, airports and hospitals, irrigation dams, power stations, ports and harbours. He added that countries like Iraq, Turkey and Iran could be suitable areas for launching such projects. Mr. Veress welcomed the suggestion of Mr. Mukherjee and said that India and Hungary will launch similar ventures in other West Asian countries like Saudi Arabia. The Hungarian Minister offered to set up captive power plants in Bhilai and Rourkela steel plants. The Commerce Minister said that these offers would be considered. The two Ministers discussed the possibility of a tri-lateral cooperation between India, Hungary and a third country in Africa in the production of aluminium.

The Hungarian Minister welcomed the presence of Indian firms in the Autumn Fair in Budapest and invited India to participate also in the forthcoming Spring Fair in his country. The Commerce Minister also welcomed participation of Hungary in the forthcoming India International Trade Fair, 1981 to be held in November this year.

India to Undertake Rail Line Survey in Algeria

A delegation of engineers from Rail India Technical and Economic Services (RITES) and Indian Railway Construction Company (IRCON) will shortly visit Algeria to undertake preliminary studies for the construction of a 140-kilometre railway line from Aintouta to M'sila in Algeria. The survey field work for this line will commence early next year.

This was stated at a meeting held in Rail Bhavan, New Delhi recently, when an eight-member Algerian delegation, led by the Minister of Transport and Fisheries, H. E. Salah Goudjil, called on the Union Minister for Railways, Mr. Kedar Panday. The meeting was attended, among others, by the Chairman of Railway Board, Mr. M.S. Gujral and other Members of the Board. The Chairman and the Managing Director of RITES were also present.

Mr. Panday assured Mr. Goudjil that India will start construction work for the railway line by July 4, 1982, which marks the 20th anniversary of Algeria's independence.

Mr. Goudjil thanked the Railway Minister for India's cooperation in the development projects of Algeria and said that he had brought the good wishes of his Government for the people of India and the Prime Minister, Mrs. Indira Gandhi.

Shri Panday assured the visiting delegation that Indian Railways will expand the area of cooperation with Algeria and help her in developing its railway network.

Rs. 50 Million Credit to Ghana by India

India is to provide credit assistance of Rs. 50 million to Ghana. An agreement in this regard was signed recently in New Delhi. On behalf of India, the credit agreement was signed by Mr. R. Venkataraman, Union Minister of Finance and on behalf of Ghana by H.E. Dr. I.K. Chinebuah, Minister of Foreign Affairs.

The salient features of the agreement are as follows :

The Government of the Republic of India and the Government of the Republic of Ghana, mutually desirous of further strengthening economic relations between the two countries, agree to enter into a credit agreement whereby the Government of the Republic of India will make available to the Government of Ghana a line of credit upto an amount of Indian Rupees 50 million.

The credit of Indian Rs. 50 million shall be available to the Government of Ghana for importing from India goods of Indian manufacturers. These include :

- a) Equipment and material for rural electrification (Sub-Stations, Transformers, Transmission Towers, High and Low Voltage Conductors, Insulators and accessories of all types).
- b) Equipment and material for rural water supplies (Truck mounted rotary percussion drilling rigs, Submersible Pumps, Hand Pumps, Pipe fittings, Casings and Accessories of all types).

The list may be modified by way of additions, deletions or substitutions from time to time as may be mutually agreed between the two Governments.

The export of the goods from India into the Republic of Ghana shall take place through normal commercial channels subject to the laws and regulations in force in both countries. Price and other terms and conditions shall be settled between exporters in India and importers in the Republic of Ghana. Representatives of the two contracting parties will meet to consult and agree on the specific requirements regarding licencing, pre-shipment inspection, etc. which shall govern the implementation of this Agreement. Such decision shall be formalised by Exchange of Notes.

The Credit will cover upto 100 percent of the f.o.b. value of the goods exported from India which shall be expressed in Indian Rupees.

The Credit Agreement shall come into force upon exchange of formal notes signifying that the necessary constitutional and legal requirements have been duly met by each contracting party. Contracts to be financed under this Agreement shall be signed and Letters of Credit established by September 30, 1982 and the amount drawn by September 30, 1983. If the full amount of the loan is not drawn by this date, the balance will be cancelled and the final instalments of the repayment to be made by the Government of the Republic of Ghana shall be reduced accordingly except as may otherwise be agreed to by the Government of the Republic of India.

Freeze Dried Shrimp Exports by India.

A consignment of freeze dried shrimp has been exported from India for the first time, according to the Marine Products Export Development Authority (MPEDA). This success has been achieved by M/s. Accelerated Freeze Drying Company, Cochin, who have developed technology for producing the products as per requirements of the Japanese buyers at an indigenous plant set up by them.

Freeze drying is the technology in preservation of food items by which the product weight is reduced to one fifth of its original weight and when immersed in water it reconstitutes instantly to its original form, appearance, taste and colour. Freeze dried products are fast becoming popular as a convenient food item in advanced countries like USA, Japan and Western Europe. The other advantages of freeze drying are reduced inventories, longer shelf life, easy transportation and preservation of food products in its natural form.

It is reported that a substantial share of Peeled and Un-Deveined (PUD) Indian shrimp imported by Japan is used for freeze drying. This value-added product manufactured by the Indian company satisfies the requirements of the Japanese firms in full measure and exporters have already obtained firm orders worth about US \$ 2 million to be supplied during the coming year.

IAAI Completes Hulule Airport Project in Maldives

The International Airports Authority of India (IAAI), has completed the Rs. 86 million (10.74 million US

dollars) Hulule airport project for the Government of Maldives.

The project included the construction of a 2,500 metre long runway and an aircraft apron, a terminal building, control tower, fuel farm and other ancillary facilities.

The work was awarded to the IAAI in 1978 on the basis of global tenders. The project was jointly financed by the Kuwait Fund for Arab Economic Development and Saudi Fund.

The airport at Hulule has been built on a narrow coral island which is barely large enough for the runway and the terminal building. Land had been reclaimed earlier on either side of the island for the runway extension and the ancillary facilities. All construction material had to be shipped to the island airport. Construction of the runway and the control tower was completed earlier in November 1980. To keep the airport operational throughout the construction period, the runway construction work was done in phases.

The existing runway at the airport, 2,150 metre long, was reconstructed and strengthened for the use of Boeing 707 and DC-8 type aircraft. Extensions were made to this runway to bring it to 2,500 metre length on land reclaimed from sea.

A new aircraft parking apron has been constructed adjoining the terminal building along with the taxi-links.

The terminal building, basically a steel structure, covers about 3,000 square metre area. It is supported on steel columns and trusses to provide large space for various services for the passengers using the terminal building. A control tower for handling the esti-

mated growth of passenger traffic was constructed as part of the project.

There were earlier no proper refuelling facilities at the Hulule airport. IAAI has now developed a fuel farm for the airports growing requirement.

The construction of the island runway presented immense problems. In earlier stages of construction, when the work had started, because of the high sea, it was not possible to bring the construction equipment by sea. In order to avoid any delay in starting the work, the basic earth-moving equipment and vehicles were airlifted.

During the construction period, IAAI had to charter ships for bringing almost 80,000 tonnes of stone aggregate from the Indian coast from Madras and Tuticorin to Male in very difficult weather conditions. Unloading was full of hazards because of the rough weather and lack of proper unloading facilities.

Cement and bitumen were other items necessary for the construction of the runway. These were not available locally and had to be shipped; 10,000 tonnes of cement and 30,000 tonnes of bitumen. The airport project undertaken by IAAI at Hulule was highly mechanised. Machinery and plant worth about US dollars 3 million were brought to the island to complete the work.

The project done mostly in-house by IAAI, required induction of staff in various categories for completing the project in the schedule time in different climatic and geographical conditions. Man-power in these categories was not available in the Maldives.

Industrial Growth and Diversification

Bulk Drugs and Formulations— Excess Capacity Regularisation Policy

The Government of India had in a Press Note (of the Department of Industrial Development) of August 29, 1980, announced details of the scheme in respect of certain selected industries for recognition of installed capacities which are in excess of licensed capacities. Entries No. 1 and 16 in the schedules to this Press Note cover the drug industry.

The Government have since examined the implementation of the scheme of recognition of installed capacity in respect of the drug industry in the context of the 1978 Drug Policy.

It has been decided that, as provided in the Press Note of the Department of Industrial Development, the installed capacity as on September 4, 1980, will be considered for recognition in the case of drugs and pharmaceuticals in all cases where applications have been received within the time stipulated by Government. This recognition would be subject to the general guidelines indicated in the Press Note of August 29, 1980 issued by the Ministry of Industry.

In addition, the following further stipulations, which have been framed after taking into account the provisions of the 1973 Drug Policy, will be applicable in all such cases :

- 1) Where the capacity of bulk drugs recognised under the

scheme is higher than the licensed capacity, the following percentages of the additional production over and above the licensed capacity shall be supplied to non-associated formulators.

- | | |
|---|------------|
| (a) FERA and MRTP companies | 50 percent |
| (b) Public sector companies | 40 percent |
| (c) Private Indian sector other than MRTP companies | 30 percent |

This will be in addition to any existing condition of supply to non-associated formulators out of the licensed capacity.

- 2) Wherever considered necessary, a suitable export obligation will be imposed on FERA and MRTP companies in respect of the whole, or part, of the additional bulk drug/s or formulations capacity now recognised. Where this relates to production of bulk drugs, the companies may be allowed to fulfil the export obligation by export of either the bulk drugs or of formulations containing these bulk drugs or a combination of both.
- 3) Foreign companies which are producing formulations based on imported bulk drugs or producing bulk drugs from penultimate stages would be asked to manufacture within a period of two years, the bulk drug concerned from the basic stage.

- 4) In recognising installed capacity of bulk drugs, the product mix will be indicated specifically in terms of individual bulk drugs. Where the product-mix of bulk drugs in multipurpose plants includes price controlled as well as other bulk drugs, the excess capacity will be allocated to the extent possible to 'price-controlled' bulk drugs.
- 5) The Drug Policy provides that the ratio of the value of bulk drugs to that of formulations should not be more than 1 : 5 in the case of foreign companies and 1 : 10 in the case of Indian companies. While recognising installed capacity for formulations, a condition will be imposed that, where the ratio exceeds the prescribed ratio of 1 : 10 or 1 : 5 as the case may be, the company will have to achieve the prescribed ratio within a period of two years. In case a company is unable to attain the prescribed ratio within a period of two years, it would be obligated as far as possible, to export the excess production of formulations till it attains the ratio. However, the excess production by foreign companies of price-de-controlled formulations and household remedies will not be recognised beyond the extent of the ratio of 1 : 5.
- 6) In the case of FERA and MRTP companies which are producing both price controlled formulations and other formu-

lations with the help of composite plant/equipment, the excess capacities would, to the maximum extent possible, be harnessed to the production of such category I and Category II formulations (under DPCO, 1979) as they are licensed to make.

- 7) In recognising installed capacity for formulations only authorised production will be taken into account. Where there is no change in the bulk drug or bulk drugs going into the production of a formulation as compared to what is specified in the industrial licence, the installed capacity for such formulation will be recognised. Thus changes in names, labels, strengths, pack-sizes and of dosage forms will not be treated as ineligible for regularisation. But manufacture of formulations not covered by industrial approval or of those which involve changes of composition and/or use of new bulk drugs would be treated as ineligible for regularisation.

In the Industrial Policy Statement of July 23, 1980, the Government had announced its decision to recognise installed capacities which are in excess of licensed capacities in certain selected industries of importance to national economy and those engaged in the production of articles of mass consumption. In pursuance of that, the Union Ministry of Industry (Department of Industrial Development) had identified such industries and in their Press Note of August 1980

announced the conditions under which installed capacity as on September 4, 1980 would be recognised. Drugs and Pharmaceuticals Industry was one of the industries covered in that.

The Drug Policy announced in March, 1978 provided, inter-alia, for regularisation of excess production beyond licensed capacities subject to conditions relating to supply of bulk drugs to non-associated formulators, ratio between the value of production of bulk drugs and formulations etc.

The Government has now decided that the decision to recognise the installed capacities in excess of licensed capacities would be applied to the drugs and pharmaceuticals industry subject to certain conditions in keeping with the Drug Policy.

New Coal and Mineral Reserves Discovered

The Geological Survey of India (GSI) has discovered new coal reserves of over 837 million tonnes in the country during the last working season ending August 31, 1981. It also found about 116 million tonnes reserves of bauxite with 40 percent aluminium oxide content and a reserve of 610 million tonnes of iron ore in the North Goa sector. While reserves of 250 million tonnes of power coal were located in Tulsidabad area of Saharjuri Coalfield, additional reserves of 100 million tonnes were found in Rajmahal Coalfield in Bihar.

Besides, GSI established 270 million tonnes of coal reserves in Begunia-Chanch sector and 217 million tonnes in Andal—Dakshinkhanda—Tamla-Dubchuria sector of Raniganj Coal-

field of West Bengal. A number of coal seams have also been delineated in Auranga Coalfield of Bihar, Bijuri-Sohagpur Coalfield and Dipka-Tiwarta sector of Madhya Pradesh.

According to the findings of the GSI, a reserve of 81 million tonnes of bauxite with more than 40 percent aluminium oxide content in Koraput district of Orissa, 10 million tonnes in Rajmahal Hills of Bihar, 20 million tonnes in Amtipani area also of Bihar and 5.6 million tonnes in Rajnandgaon district of Madhya Pradesh can be exploited.

Another important finding of the GSI is the reserves of over 610 million tonnes of iron ore with about 60 percent iron content in North Goa sector. A reserve of 480 million tonnes of the same quality of iron ore has also been found in Abujmar Plateau in Bastar district of Madhya Pradesh.

The GSI has estimated that over 112 million tonnes of chromite reserve exists in Sukinda-Nausahi belt of Orissa. This accounts for a sevenfold increase over earlier known total reserve of chromite in the country.

Improved Performance of Small Industries.

During the six years from 1973-74 to 1979-80, the value of production of the small scale industrial (SSI) sector increased by 165 percent from Rs. 72,000 to Rs. 190,600 million according to the annual report of Small Industries Development Organisation (SIDO) for 1980-81. Over the same period, employment increased by 111 percent from 3.06 million to 6.46 million. In 1979-80, this

sector accounted for 28 percent of total industrial production. Export from this sector at Rs. 10,500 million accounted for 15 percent of the country's exports. Besides producing consumer goods, this sector now produces many sophisticated and precision products like electronic systems, micro-wave components, electro-medical equipment, etc. By the end of the Sixth Five Year Plan, the production level of the SSI sector is expected to increase to Rs. 328,930 million and employment to 809 million.

To encourage rapid development of the sector, the Government has introduced a number of concessions and incentives, one of them being the policy of reserving items to be produced exclusively in the small scale sector. By the end of 1980, the reserved list included 834 items. Nine more items were added to the list in August, 1981. Also, at the end of 1980, 379 items were reserved for exclusive purchases from small scale units.

By March, 1980, there were 382 District Industries Centres (DICs) covering 392 districts in the country. During 1980-81, on the average, a DIC assisted in the setting up of 715 new units, which generated additional employment for 2,420 persons. Credit provided by financial institutions amounted to Rs. 6.67 million per DIC.

Reviewing the performance of industrial estates, a total of 796 industrial estates, were sponsored till the end of March 1979 and of these, 63 had started functioning. In these estates, there were 18,412 small scale units functioning, providing employment to 286,000 persons.

As at the end of 1979, there were 383,636 units registered with Small Industries Development Organisation, West Bengal with 71,116 units topped the list of States, followed by Tamil Nadu-39,432 Punjab-29,214, Uttar Pradesh-29,080, Maharashtra-28,256, Madhya Pradesh-24,599, Gujarat-24,189, etc. These seven States accounted for 64.1 percent of the total number of small scale units. Sikkim with 23 units had the least number of small scale units, followed by Orissa 203, Meghalaya 304, Tripura 996, Manipur 1,689, Assam 3,461, etc. Among the Union Territories, Delhi had the largest number of units 9,732 and Arunachal Pradesh with 134 had the lowest number of units.

Additional Capacity for Finished Leather on Selective Basis

The Union Minister for Industry and Labour, Mr. Narayan Datt Tiwari said in New Delhi recently that the Government of India have recently decided to license additional capacity for production of finished leather on selective basis. The additional capacity would be licensed mostly (i) in favour of those States where at present no finishing capacity exists or where the existing finishing capacity is relatively inadequate as compared to the availability of semi-finished leather, (ii) for establishment of Common Facility Centres to help the small tanners in converting their semi-finished leather into finished leather. and (iii) also in favour of small scale units which desire to convert their semi-finished leather capacity into finished leather capacity.

Mr. Tiwari was inaugurating the Conference of State Ministers and Chairmen and Managing Directors of

the Bharat Leather and State Leather Development Corporations.

Mr. Tiwari further said that it will be the Government's endeavour to see that States with large cattle population are not left behind in the development of this industry, and the instrument of licensing will be utilised for correcting the regional imbalance to the extent possible. Till now leather industry had tended to get clustered around port towns and coastal States.

The Minister said that the Central Government have taken certain important policy decisions in the recent past designed to stimulate the development of leather footwear and leather goods industry particularly for exports. Firstly, in the interest of making available a larger volume of finished leather to the leather footwear and leather goods industry, the export obligation on the finished leather units, which was ranging from 60 percent to 90 percent or in some cases even 100 percent of production has been brought down to 40 percent. The existing as well as the new units would be eligible to take advantage of this reduced level of export obligation.

Secondly, in order to encourage building up of substantial export-worthy capacity for leather footwear and leather goods, the organised sector has been permitted to establish capacity for these items on the basis of a minimum export of 70 percent of production, subject to fulfilment of certain conditions including purchase of a portion of components from the small scale/cottage sector. This decision is intended not only to attract the organised sector into this field in a big way, but also provide for development of ancillaries and assured

marketing support to the small scale/cottage sectors.

Thirdly, the position regarding the export obligation to be undertaken by organised sector units for setting up capacity for manufacture of items reserved for development in the small scale sector has been recently clarified. As against the condition that the entire production, export for marginal rejections, should be for exports, it will now be possible for the organised sector to set up capacity for these items, including leather footwear and leather goods which are reserved for the small scale sector, on the basis of a minimum of 75 percent exports to be achieved within a maximum period of three years, subject, however, to the condition that the proportion allowed for indigenous scales is not so large as to swamp the small scale units.

The Minister hoped that these changes in the policy would help to achieve speedy growth of the leather footwear and leather goods industry and to fulfil the export targets.

The country is at present importing sizeable quantities of leather chemicals required by the tanning and leather goods industry, as the indigenous production is inadequate. Special attention requires to be given to the development of this industry, so that the country's dependence on imports of these essential inputs is reduced, if not eliminated altogether, Mr. Tiwari added.

Mr. Tiwari said that as the emphasis in the industry will now shift to leather manufactures, including footwear, the future Research and Development efforts should concentrate on the problems connected with the pro-

duction of leather footwear and leather goods. Equally important will be the area of design development in keeping with the changing fashion trends in the world market.

Science and Technology

Manufacture of Alternative Sweeteners

According to Central Food Technological Research Institute, Mysore (CFTRI), its research efforts to generate technology for alternative sweeteners from readily available starchy substrates have begun to produce promising results.

The mounting demands on the world's conventional sugar resources and the steady increase in their production costs have necessitated a search for alternate sources of sugar from the available starchy and other carbohydrate/cellulosic materials. Efforts for beneficiating these materials are already in progress in various countries of the world. India is also seized of this problem.

Starchy and cellulosic substrates are widely available in the country in tubers such as tapioca, sweet potato and innumerable other low-value agricultural by-products and wastes, from which it may be possible to prepare high fructose syrup. This product is composed of nearly equal amounts of fructose and glucose and is equal in sweetness to sucrose. Estimates indicate that nearly 15 tonnes of high fructose syrup (on dry weight) can be obtained from tapioca starch from a hectare of land as against only 5 tonnes of cane sugar.

The process involves enzymic conversion of starch to glucose and further conversion of glucose to fructose. The enzymes needed for the process are produced by micro-organisms. CFTRI has isolated fungal cultures which produce extra-cellular enzymes capable of converting tapioca starch to glucose with nearly 90 percent efficiency. These enzymes are used for the production of glucose syrups in a process developed by the Institute.

Besides, the Institute has also isolated potent bacterial cultures which convert or isomerise glucose to fructose in the starch hydrolysates. Tapioca-starch based high fructose syrup has thus been prepared on a laboratory scale (upto 2 kilograms per batch). Investigations on large scale production with a view to optimising processing and product characteristics are in progress.

Porous Polymer Process Developed

Central Salt and Marine Chemicals Research Institute, Bhavnagar, has developed a process for preparation of Porous Polymer.

Porous Polymer is useful in the isolation and/or separation of a variety of organic compounds viz. dyes, tannins, alkaloids, antibiotics etc. due to their high porosity and surface area. They are useful where fast exchange reaction and selective uptake are involved. Macroporous resins are useful for uptake of high molecular weight compounds which are difficult to remove by conventional resins. They also work in non-aqueous phase.

The styrene, divinyl benzene and essotharm oil are mixed in suitable proportion. Benzoyl peroxide catalyst

is dissolved in styrene separately and both the solutions are mixed. This mixture is added to jacketed kettle, fitted with stirrer, condenser and thermometer containing aqueous solution of polyvinyl alcohol. The polymerisation is carried out under suitable conditions to obtain the desired product.

*Indian Machine Tool Industry**

The Indian machine tool industry made a modest beginning in the end of 19th century, but it gained activity only during the Second World War when supplies of machine tools and other equipment needed by the British forces could not reach India by sea. There were in all 24 graded and 100 ungraded machine tools firms during the war.

In the decade of 1950-60, the Indian machine tool industry became a well-organized entity because of the measures undertaken by the Government of India to set up Hindustan Machine Tools Ltd. (HMT) and by restricting import of machine tools. The indigenous industry gradually increased its output and the imports started decreasing. During the first five-Year Plan, the total value of machine tools consumed by India was Rs. 200 million of which the indigenous industry produced Rs. 30 million worth of machine tools. The indigenous production of machine tools steadily rose from 1956-60. The annual production which was Rs. 10.8 million in 1956 rose to Rs. 58.6 million in 1960. This marked the initial growth stage of the industry when it consolidated production of a number of general

* (By Mr. B. Ramachandra, Chairman and Managing Director, HMT)

purpose machine tools of international standards. The product range stretched from various types of lathes, milling machines, drilling machines to other types like grinding machines, automatic lathes. The medium and small scale units also entered the field to produce general purpose machine tools and accessories.

In the decade from 1960 to 1970, the Indian machine tool industry passed through a phase of rapid growth. The annual production which stood at Rs. 58.6 million in 1960 jumped to Rs 372.3 million in 1970. New designs like single spindle automatics, multi-spindle automatics, vertical turret lathes, gear shapers, gear hobbers, precision copying lathes, multi-tool automatic lathes, drum turrets, horizontal boring machines, broaching Machines and front chucking machines were taken up for production to answer the needs of the new industries. It was during this period that the Indian machine tool industry laid the foundation for the manufacture of almost all types of general purpose machine tools. In addition to the general purpose machine tools the Production of Special purpose machine tools was also started to cater to the needs of the engineering industries in India. The impressive growth of the industry during this decade would not have been possible without the assistance provided by the Government of India. The machine tools industry was accorded high priority in successive Five Year Plans to make it the main driving force behind the large-scale industrialization of the country.

In 1969, there were 66 firms in the organized sector which accounted for 90 percent of the total output of machine tools in India. It was in 1970

that the Indian machine tool industry established its credentials by participating in the prestigious IHA 1970 exhibition held in Hannover, West Germany.

In the decade 1970-80, the Indian machine tool industry registered an increased rate of production. The output of the industry which stood at Rs. 372.3 million (US\$ 46.53 million) in 1970 rose to a value of Rs. 1,544 million (US\$ 193 million) in 1979. The large scale establishments manufacturing machine tools in sixties and seventies are HMT, Kirloskar, Cooper, Praga Tools, Perfect Machine Tools, Batliboi, Madras Machine Tools, Simtools, Kerry Jost Tools, New Standard Engineering, Telco Machine Tools Division, BECO, Bharat Fritz Werner, Alfred Herbert and Kulkarni and Decker.

The machine tool industry at present comprises over 250 factories in the organised sector with a machine park of 31,500 machine tools, about half of which are indigenous, in addition to the large and medium scale units engaged in the production of machine tools, small scale manufacture of machine tools, accessories and allied equipment. These small units manufacture general purpose machines like centre lathes, milling machines, drilling machines and some unsophisticated models of grinders. HMT is now in a position to offer NC and CNC turning centres, CNC vertical and horizontal machining centres with automatic tools changers and NC turret machining centres. The production of NC and CNC machine tools has also created an awareness to produce the required software packages for the optimum utilization of these machines.

The Indian machine tools industry started selling its products in the export market from 1955 onwards. In 1962, the exports were worth just over Rs. 1 million. An organised export drive pushed the exports to Rs. 6.6 million in 1966 and this again climbed to a value of Rs. 30.5 million in 1971. The export touched Rs. 81.8 million in 1975 when Indian machine tools were exported to Europe, America and South-East Asia. The main products exported from India were centre lathes, drilling machines, milling machines, grinders and power presses. There was an impressive increase in export in 1976 when the value touched Rs. 169.2 million (US\$ 21.15 million), representing a two-fold increase over the export performance of 1975. After a minor setback in 1977, when exports dropped to Rs. 136.6 million, the industry again improved its export performance in 1978 when it sold Rs. 205 million (US\$ 25.62 million) worth of products abroad. The ten largest importers of machine tools from India in 1973 were the USA, West Germany, the UK, Australia, United Arab Emirates, Hungary, Kenya, Holland, Tanzania and Iraq. In 1979, machine tool exports rose to an estimated value of Rs. 210 million (US\$ 26.25 million).

In 1979, approximately 12.14 percent of the production of the Indian Machine Tool Industry was exported. The Indian Machine Tools Manufacturers Association (IMTMA) is optimistic that the machine tool industry can meet an export target of Rs. 750 million (US\$ 93.75 million) by the year 1984.

A significant feature of the export performance is that now even small scale units are producing goods for

export in addition to the manufacturers in the medium and large sectors. The Indian machine tools are now exported to not only advanced countries like the USA, the UK and West Germany, but also the developing countries of Asia and Africa. The machine tool industry has demonstrated its ability to sell in the world markets in the past, the exports were channelled mainly through foreign agents and importers. But now more interest is being shown by reputed foreign manufacturers who are approaching the Indian machine tools builders to get machines built in India for export to overseas markets.

By 1980, side by side with the numerical increase in output, the range of machine tools produced widened extensively. Starting with the production of a few general purpose machine tools in 1950s, the present production of the Indian machine tool industry encompasses practically all general purpose machine tools, a selected number of special purpose machines and even a few NC machine tools like NC lathes and machining centres. The production of electro discharge machines (EDM) for non-traditional machining of uncommon materials has further widened the technological competence of the industry. The present trend of R and D in metal cutting machinery is towards the unit head construction based on building-block concept, development of automatic control systems with or without feed back, and designs based on ergonomic and tribological considerations.

Some of these trends were evident in IMTEX-79, the Indian Machine Tool Exhibition held in February, 1979. The display included many newly

developed machine tools, accessories and allied equipments. According to a study of IMTMA about 30 to 40 percent of the exhibits were newly developed products. The development activities were evident in the innovations packed into simple machine tools as well as those pertaining to sophisticated machines with computer numerical controls. The range of modern metalworking equipment included a few process machines like EDM and some special machines like flow forming lathes. These development activities will continue to constantly update the products to provide the user industries with modern metalworking equipment. Indian machine tool industry is striving to catch up the impressive strides made in the industrially advanced countries.

In the decade 1970-1980, the Indian tool industry not only produced advanced technology machines but also became conscious to update the quality and versatility of indigenously manufactured machines. There was a round improvement of quality in special accessories, cutting tools and controls as well. The quality consciousness is also being infused to the small and medium scale industries.

The modern attitude towards quality aspects is that the quality control is regarded as an integral part of the cycle of manufacture and that as much forethought and planning is devoted to them as to any of the productive operations themselves. The quality of machine tools has seen a vast improvement with the introduction of stringent quality control and inspection methods adopted from the raw material stage to the final assembly of machine

tools. Performance testing and inspection are now carried out as per the international test standards. With the introduction of the concept product liability in the machine tool field it has now become important for the machine tool builder to meet many of the safety and other legislations in addition to keeping up to the quality.

India has gained considerable amount of experience and expertise in the field of machine tool technology which can be relevant to most of the developing countries. Turnkey projects in the field of machine tools have been taken up by HMT with some of the developing countries such as Algeria, Nigeria, Philippines, Iraq and Iran. These

projects include transfer of technology, consultancy services, manufacture and supply of equipment, project management and commissioning services training of personnel, setting up of training centres abroad are also some of the other services now offered by the machine tool companies.

□

Programme of Forthcoming Participations in Trade Fairs/Exhibitions Abroad

- | | |
|---|------------------------------|
| 1. Santiago International Trade Fair-FISA'81,
Santiago (Chile) | October 29—November 15, 1981 |
| 2. Indian Exhibition, Bahrain | February 1-10, 1982 |
| 3. Indian Exhibition, Nairobi, (Kenya) | March 12-21, 1982 |
| 4. Cairo International Fair, Cairo
(Arab Republic of Egypt) | March 13-27, 1982 |
| 5. Indian Exhibition, Algiers, (Algeria) | May, 1982 |
| 6. Indian Exhibition, Kuala Lumpur
(Malaysia) | November, 1982 |
| 7. Indian Exhibition, London (UK) | November, 1982 |
| 8. Indian Exhibition, Mexico | May, 1983 |
| 9. Hannover International Fair, (FRG) | April, 1984 |
-

Further information can be obtained from the Manager (Exhibitions), Trade Fair Authority of India, Pragati Maidan, New Delhi-110001.

FACILITIES FOR INTERNATIONAL EXHIBITORS AT INDIA INTERNATIONAL TRADE FAIR, 1981

Trade Fair Authority of India (TFAI) is organising India International Trade Fair 1981 (IITF '81) from November 14 to December 4, 1981 at Pragati Maidan, New Delhi. The main objective of the Fair is to promote international trade and encourage new investments in India as well as in third countries. The Fair will project India's allround progress in the fields of industry, agriculture, trade, science and technology. As many as 50 foreign Governments at the national level and more than 3,000 companies from India and abroad are expected to participate in the Fair.

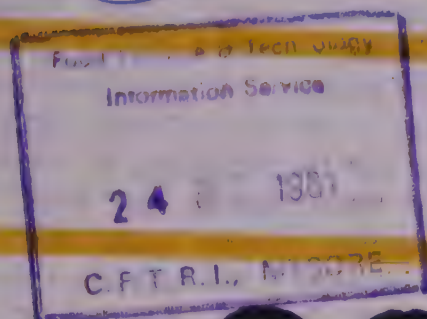
With a view to making foreign participation meaningful, a number of facilities are being provided to the international exhibitors for expeditious disposal of the exhibits displayed by them. These are listed below :—

- (1) Government of India have issued instructions to all Ministries and public sector undertakings that as far as possible, in regard to their import requirements, they should make their purchases from the goods that are displayed by international exhibitors at the Fair.
- (2) The capital goods requirements have been compiled in the form of booklet which is available with TFAI for reference of those foreign governments and firms who wish to participate in the Fair. This will facilitate the concerned Departments to make their selections and order for their purchases from the exhibit that are displayed at the Fair.
- (3) For expeditious disposal of exhibits that are displayed at the International Fair, Government of India have streamlined customs and licensing procedure as under :—
 - (a) Fair Quota to the maximum of Rs. 5 million in foreign exchange per exhibitor has been earmarked for disposal of the exhibits displayed at the Fair.
 - (b) In respect of capital goods upto a value of Rs. 1 million per item, Chief Controller of Imports and Exports (CCI and E) has simplified the licensing procedure to ensure that such licence are issued on the spot.
 - (c) In respect of items of the value of over Rs. 1 million, special meetings of the Capital Goods Committee (CGC) will be convened to ensure that these applications for import licences are disposed of expeditiously.
 - (d) Items falling under Open General Licence (OGL), and Indian importers holding licence for the items of their purchase, will be allowed direct purchases and clearance by the Customs located at Pragati Maidan.
 - (e) Customs and Chief Controller of Imports and Exports offices will be located at Pragati Maidan to facilitate expeditious clearance of goods.
 - (f) As an incentive for developing countries to participate in the Fair, following items of consumer goods which are otherwise banned for import into India, have been permitted for disposal by the developing countries participating in the Fair : handicrafts, garments, jute goods, toys other than electronics, cosmetics, house-hold goods other than electrical and electronics, ladies fashion wear, leather goods, glass-ware, dry fruits, and honey.
 - (g) International exhibitors have been allowed duty-free import of publicity and advertising materials for free distribution during the Fair.
 - (h) To make participation more attractive, several other relaxations in regard to customs and licensing regulations have been agreed to by the Government.

Further details may be obtained from the Trade Fair Authority of India, Pragati Maidan, New Delhi-110 001.

Vol. XI, No. 45, November 7, 1981, New Delhi, India

economic and commercial news



News Highlights

Indian Companies Bag High Value Overseas Contracts

During January-August 1981, 22 Indian companies, belonging to public as well as private sectors, secured 36 overseas civil construction contracts worth Rs. 9,810 million. Of the total, Iraq accounts for 20 contracts, Libya for 13 and Sri Lanka, the United Arab Emirates and the Peoples Democratic Republic of Yemen for one contract each.

Special Facilities for Young Artists at Pragati Maidan

The Trade Fair Authority of India has allocated a special corner in Pragati Maidan for use of young artists and cartoonists who could do on-the-spot painting, draw sketches or make cartoons. These paintings, drawings and cartoons could be sold to the general public visiting the India International Trade Fair opening on November 14, 1981. A panel of specialists would examine such paintings, drawings and cartoons for being given prizes.

Export Performance and Potential

Avoidance of Double Taxation Agreements with Tanzania and Mauritius

An agreement for the avoidance of double taxation and prevention of fiscal evasion of taxes on income has been entered into between the Government of India and Tanzania. It will come into force with effect from January 1, 1982.

The main objective in concluding the Agreement is to stimulate the flow of capital, technology and personnel from one country to the other for accelerating economic development and to remove the tax barriers that might be inhibiting such a flow. Business profits derived by an enterprise of India or Tanzania will be charged to tax only in the country of its residence unless the enterprise carries on business in the other country through a permanent establishment.

The agreement contains provisions for avoidance of double taxation in respect of aircraft and shipping profits, dividends, interest, royalties and management fees, remuneration from personal services, private pensions, income from teaching or from research activities etc. The Agreement also provides for exchange of information or documents for the prevention of evasion of taxes which are the subject matter of the Agreement.

A Convention between India and Mauritius for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to taxes on

Medal for India Pavilion at Bucharest Fair

India Pavilion at the Bucharest International Fair, Romania, which was held recently, was awarded a Medal and a Diploma of Merit for their exquisite display. India's participation in the Fair was organised by the Trade Fair Authority of India.

A large number of business enquiries were received by India Pavilion in respect of items like electric motors, instruments for nuclear plants, cables, electrical machinery, small machines, electronic equipment, etc,

Reduction in Export Duty on Groundnut
Having regard to the fall in international prices of HPS groundnut, the Central Government have decided to reduce the export duty on groundnut kernel from Rs. 3,000 per tonne, to Rs. 1,500 per tonne and on groundnut in shell from Rs. 2,250 per tonne to Rs. 1,125 per tonne.

Contents

Export Performance and Potential

Avoidance of Double Taxation Agreements with Tanzania and Mauritius 1

Talks on Indo-Swiss Commercial Relations 2

Indian Companies Bag Big Orders 2

Iran Seeks India's Assistance in Industrial Development 2

Indo-Soviet Cooperation in Coal Industry 3

Sharp-Rise in India's Exports to Thailand 3

Industrial Growth and Diversification 4

Uptrend in Industrial Production 5

National Project on Mercury Initiated 5

Improved Performance of FACT 5

Electronics for Telephone Systems 6

More Rural Roads during 1981-82 7

Science and Technology 7

More Telecom Channels on INSAT 7

Solar Powered Refrigeration 8

New Stove with Higher Thermal Efficiency 8

Three Decades of Indian Agriculture

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this journal.

income and capital gains was also signed at delegation level in New Delhi recently. The Indian Delegation was led by Mr. Jagdish Chand, Chairman, Central Board of Direct Taxes while the Mauritius Tax Delegation was led by Mr. D.M. Henry, Commissioner of Income Tax.

The main objective in negotiating treaties for the avoidance of double taxation of income is to stimulate the flow of capital, technology and personnel from one country to the other for accelerating economic development and to remove obstacles that double taxation presents in development of economic relations between the concerned countries. Foreign investors are generally subjected to tax in their home countries as well as in the country in which they make the investment. Tax treaties secure the result that a taxpayer is not required to pay tax twice in respect of the same income.

Talks on Indo-Swiss Commercial Relations

The Commerce Secretary, Mr. Abid Hussain, paid a visit to Berne recently during which he held discussions with his counter-part Mr. Paul R. Jolles, Secretary of State for Foreign Economic Affairs of the Swiss Federal Government. The Commerce Secretary also met Secretary Roethlisberger, In-charge of Commercial Relations in the Swiss Ministry of Commerce and Secretary, Dr. Marcel Heimo, Head of the Department of Technical Cooperation in the Ministry of Foreign Affairs. He also met at a lunch hosted by the Indian Ambassador, Mr. Narendra Singh, representatives of about a dozen leading Swiss industries who have operations in India.

Discussions with the Swiss Government officials ranged from expansion of bilateral economic and commercial relations to an exchange of views on various multilateral and pressing world economic issues. The Commerce Secretary stressed India's interest in the transfer of advanced Swiss technology in the areas in which India needs it and the possibilities of re-allocation of Swiss industry to India, joint ventures between India and Swiss companies in the Arab and other third world countries, boosting of Indian exports to Switzerland and Indian companies raising loans in the Swiss market. The Swiss side said that Swiss investment in India was their fourth largest in the world (Swiss companies are only second to German ones among European collaborators in India). The Swiss Government saw no impediment in the expansion of Indo-Swiss collaboration provided specific fields could be identified by Swiss and Indian companies. They welcomed renewed Indian interest in further collaboration with Switzerland.

The representatives of various Swiss companies who met the Commerce Secretary apprised him of the facts about their operations in India, both of the problems faced by them and their expansion projects for the future. Discussions were also held on the fixation of dates of the Indo-Swiss Joint Commission for February-March in 1982 in New Delhi and for an Indian participation in the Lausanne International Fair to which India has been invited after ten years.

Indian Companies Bag Big Orders

Spot orders worth US \$ 3.22 million were bagged by Indian companies which participated in the five-day India

Industrial Exposition in Atlanta, USA. Organised by the Trade Development Authority (TDA), the exposition commenced on October 12, and concluded on October 16, 1981. The Mayor of Atlanta proclaimed the week as 'India Week'. The products for which spot orders were booked are: hand, small and cutting tools; machine tools; auto ancillaries; builders hardware; builders jewel and watch makers tools, according to a TDA press release.

In addition, trade enquiries worth US \$ 13.2 million were also generated during the exposition. This exposition in which 84 Indian companies exhibited their products, was visited by 876 buyers representing professional importers and trade including a buyer from Mexico and several others from New York, Chicago

Although the majority of the Indian participating companies were new to this market, some of them have established prospects of entering this market for their products, either directly or through appointment of distributors.

The highlights of the Atlanta exposition were negotiation and conclusion, by some Indian companies with American firms, of joint venture agreements. These ventures include products such as thread rolling dyes, cold forming tools and HSS metal cutting tools. The latter product involves exports worth US \$ 100,000 per year. Further, an Indian company received a proposal from an American firm for subcontracting metal fabrication in the Middle East. Other major developments during the industrial exposition are proposal for marketing tie-ups for long-term supply of name plates for instruments, negotiation with a leading American manufacturer of ultrasonic

equipment for supply of complementary small equipment by an Indian firm on a continuous basis worth Rs. one million per annum.

A firm from Equador has evinced keen interest in a joint venture with an Indian company for assembling and distribution of diesel engines in Latin America.

Iran Seeks India's Assistance in Industrial Development

Iran has sought India's help in terms of supply of building material and creating the required capacities in the construction of industry. This was conveyed recently when the Iranian Housing and Rural Development Minister, Mohd. Shahab Gonabadi called on the Union Industry and Labour Minister, Mr. Narayan Datt Tiwari.

The Iranian Minister also requested India's technical assistance particularly for setting up mini cement plants, foundries, castings and forgings, ceramics, electronics and mining industry.

Welcoming Iran's entry into non-aligned group, the Union Industry Minister, Mr. Tiwari said both Iran and India had much to offer to each other in their parallel efforts to achieve self-reliance and develop appropriate technology.

As regards building material, the Minister asked them to identify projects, items and quantify their requirements.

Mr. Tiwari told the delegation that Association of Indian Engineering Industry (AIEI) would soon be able to open an office in Tehran and hoped that it would facilitate better

economic cooperation between the two countries. He requested the Iranian Minister to reciprocate by opening an office of Industrial Development Renovation Organisation of Iran (IDRO) as envisaged in the agreement signed between AIEI and IDRO last year.

Indo-Soviet Cooperation in Coal Industry

Matter relating to cooperation between India and the Soviet Union in coal industry were discussed at a meeting of the Indo-Soviet Working Group on Cooperation in the Coal Industry held in Moscow recently. The Indian team was headed by Mr. R. P. Khosla, Additional Secretary in the Union Department of Coal and the Soviet team by Mr. V.V. Beliy, First Deputy Minister of the Coal Industry of the USSR. A Protocol was signed in Moscow on conclusion of the meeting. During the discussions, the progress of work on the Mukunda opencast project in Jharia coalfield of BCCL with an annual capacity of 12 million tonnes of coal was reviewed. This project will add substantially to the supply of scarce prime coking coal for the steel plants. A team of Indian experts will visit USSR in January 1982 to discuss the conceptual report to be prepared by the Soviet side. Because of the extremely complex working conditions in this mine which has a number of partly worked out seams as well as underground fires, it was decided that before the project report was prepared, the Soviet and the Indian sides would discuss the conceptual report so as to satisfy themselves that the mining technology proposed to be adopted in this mine was suitable for the specially difficult conditions prevailing there.

Another major project which was discussed was the Nighai opencast project in Singrauli Coalfield which will have ultimate annual capacity of 14 million tonnes of coal. This will make it the largest opencast mine in the country. The power station which is linked to this mine is also being put up with Soviet assistance and it was therefore agreed that the Soviet side would ensure that the schedule of development the mine would match with the schedule of commissioning of the power station. The Working Group on Power is due to meet shortly in Moscow in which Waidhan power station will also come up for discussion.

The Soviets are also providing assistance in construction of the Janjhara mine which is an underground mine with a capacity of nearly three million tonnes per annum located in Eastern Coalfields. Two major shafts of about 300 metres depth will have to be sunk in this mine in addition to an inclined shaft of 1,400 metres length. The Soviet side will be providing design for these shafts as well as some of the equipment required for sinking the vertical shaft.

Some new areas of cooperation were also identified during the meeting. Talcher coalfields in Orissa contains vast reserves of coal suitable for generation of power. It was decided that the Soviet experts would assist in the preparation of a master plan for exploitation of this coalfield. A similar master plan had been prepared by Soviet experts for the exploitation of the Singrauli coalfield and individual mines are now being mined in accordance with this master plan.

In the field of equipment supply, it was decided that in order to overcome

some of the problems being faced by the Indian mining industry in timely procurement of spare parts, two nodal agencies would be appointed by the Soviet side, one for the supply of spare parts for underground mining equipment and the other for supply of spare parts for opencast mining equipment. It was also agreed that Indian specialists, workers and supervisory staff would be trained in the USSR on the maintenance and repair of opencast equipment, mine planning and the use of computers and the technology of shield method of mining which is being introduced in the Makum coalfield in Assam with Soviet assistance. The coal seams in this coalfield are nearly vertical and cannot easily be exploited by conventional methods. The Soviet experts have already submitted a scheme for the exploitation of these deposits and this has been approved for implementation by Coal India.

Sharp Rise in India's Exports to Thailand

According to a commercial report issued by the Embassy of India, Bangkok, preliminary statistics of Indo-Thai trade for the period January-May 1981 obtained from the Department of Business Economics reveal that the value of India's exports to Thailand rose by 306 million Baht, or 91.89 percent as compared to the correspon-

ding period last year. India's imports from Thailand on the other hand rose by 63 million Baht or 36.30 percent.

The main items of India's exports to Thailand during the period were groundnut and soyabean cakes, raw cotton and cotton fabrics, emery and other natural abrasives, inorganic chemicals, pharmaceutical formulations, synthetic organic dyestuffs, articles made of vulcanised rubber, wheat flour, vegetable seeds, rough, precious and semi-precious stones, iron and steel bars, structurals, wires, cables and cordages, hand tools, diesel and other heavy oil engines, spare parts for internal combustion engines, miscellaneous pumps, machinery for making cellulosic pulp and parts thereof, miscellaneous machinery, electrical generators, motors, machinery and equipment and bicycle spare parts.

India's imports from Thailand during the period consisted of mung and black matpe beans, unshelled cashew nuts, gum damar and gamboge, lead and tungsten ores, slags and ash including kelp, carbon black, adhesive cellophane tapes, rubber smoked sheets Grade III, nylon, rayon and polyester fibres and precious and semi-precious stones both cut and uncut.

Figures of Indo-Thai trade during the period January to May 1980 and 1981 are given below :

(Unit : Million)

	1980 (January to May)	1981 (January to May)
India's Exports to Thailand	Baht 333 (US\$ 16.55) (Rs. 135.37)	Baht 639 (US\$ 31.95) (Rs. 259.76)
India's Imports from Thailand	Baht 172 (US\$ 8.60) (Rs. 69.92)	Baht 235 (US\$ 11.75) (Rs. 95.53)
Balance of Trade	Baht 161 (US\$ 8.05) (Rs. 65.45)	Baht 404 (US\$ 20.20) (Rs. 164.23)

Industrial Growth and Diversification

Uptrend in Industrial Production

The monthly index of industrial production (base: 1970=100) for July, 1981 stood at 162.9. It was higher than the index of July 1980 by 0.1 percent.

The growth rate during the first seven months of 1981 over the same period last year showed a rise of 10 percent. The growth rate for the four months of the current financial year 1981-82 over the corresponding period last year showed a rise of 11 percent.

Compared to last month, the increase of 3.6 percent in index is accounted mainly by the increase in production of machinery except electrical machinery, chemicals and chemical products, textiles

and electrical machinery, apparatus appliances and supplies against the decrease in production of mining and quarrying, food manufacturing industries except beverage industries and footwear, other wearing apparel and made-up textile goods.

National Project on Mercury Initiated

The Geological Survey of India (GSI) has initiated a national project on mercury known as APBAKI, in collaboration with the National Geophysical Research Institute (NGRI), Bhabha Atomic Research Centre (BARC) and Indian Navy to tap sources of this strategic metal. This follows identification of potential areas of mercury deposit covering a long belt from North Kerala to North Bombay and beyond.

The latest incidence of native mercury oozing out along a few fine fracture plains in the trap rocks was recorded in the Southern tip of Arnala island

near Bombay. This was the third reported mercury incidence in the country, the others being Khitre in Karnataka and Badagara in Kerala. The Arnala occurrence is about 1.5 kilometre away from the shore under a water column of 1.5 metre deep and is exposed only in the low tide periods.

The project on mercury, if found economically viable, would provide the country with the first ever mineable mercury deposits and reduce the import of this strategic metal.

So far the GSI has been carrying out fundamental studies on seabed technology and preparing maps with limited resources in the coastal waters and the exclusive economic zone (EEZ). It would now intensify its activities and studies for locating strategic mineral and metals including mercury with the collaboration of NGRI, BARC and Indian Navy. Other areas identified by GSI for further investigation include those for ilmenite, magnetite and radio active minerals as also likely placer deposits of gold and diamond.

Improved Performance of FACT

The total production of fertilisers in the Fertilisers and Chemicals Travancore Limited, Udyogamandal (FACT) during the year 1980-81 was a record quantity of 616,188 tonnes compared to the 584,404 tonnes in the previous year, marking an increase of 5.5 percent. In terms of nutrient nitrogen (N_2) the production reached a record figure of 170,335 tonnes against 163,475 tonnes attained during the previous year. Again, production in terms of nutrient P_2O_5 was also a record at 70,876 tonnes exceeding the previous year's production of 69,219 tonnes. The increase in supply of fertilisers during the year is equivalent to

The index numbers of industrial production for each month from January 1979 to July 1981 are shown below. All figures are provisional.

Month	1979	1980	1981
January	158.6	154.0	166.5
February	152.2	149.0	161.2
March	168.8	160.3	176.2
April	146.0	138.8	156.5
May	146.4	143.4	157.5
June	141.3	141.2	157.3
July	144.6	147.9	162.9
August	147.3	148.4	
September	145.6	150.3	
October	143.8	151.2	
November	145.8	153.8	
December	153.5	169.5	
Average	149.5	150.6	

the production of 300,000 tonnes of more foodgrains worth Rs. 40 million.

The performance of FACT during the year 1980-81 has shown a further improvement and the company has made a net profit of Rs. 1.6 million during the year compared to the profit of Rs. 6.5 million made during the previous year. This is the highest profit made by FACT so far in its past 36 years' history. This was announced by Dr. P.K. Narayanaswamy, Chairman and Managing Director of FACT, after the conclusion of the company's annual general meeting recently.

The bulk contribution towards this came from the Cochin Division where the total production during the year under review was a record figure of 128,299 tonnes in terms of nutrient Nitrogen (N_2) and 49,547 tonnes in terms of Nutrient P_2O_5 compared to 112,468 tonnes of N_2 and 40,770 tonnes of P_2O_5 during the previous year. This division has established new records in production in all its plants namely, ammonia, urea, sulphuric acid, phosphoric acid and NPK Complexes. Production of 246,000 tonnes of urea during the year works out to 74.5 percent of the rated capacity of the plant, compared to the 64 percent achieved during the previous year. The continuous efforts made to get over the technical problems in Cochin Phase I plants have yielded heartening results. New monthly records of production have been established for ammonia as well as urea in August 1981, when the capacity utilisation went as high as 97 percent for ammonia and 109 percent for urea.

FACT's proposal to diversify its activities in Udyogamandal Division by setting up of a plant of a plant of 50,000 tonnes per annum

capacity for manufacture of caprolactam at a cost of Rs. 1,480 million is in the final stage of consideration by the Government of India for approval.

The sales turnover of the Company's products for the year was also an all-time high figure of Rs. 1,226.8 million marking an increase of 26 percent over last year's performance of Rs. 969 million.

FEDO, the Engineering Consultancy Division of FACT had a successful year with its order book position improving to Rs. 505,102 million in terms of project outlay as against Rs. 1,190 million at the beginning of the year. This remarkable improvement is due to the fact that FEDO received the order for consultancy services for the twin 1,350 tonnes per day giant ammonia plants for Krishak Bharati Co-operative Ltd. at Hezira in Gujarat. FEDO has also entered into another agreement with M/s. M.W. Kellogg of USA for transfer of ammonia technology to FEDO. This know-how arrangement will restore to FEDO its due place in the field of fertiliser technology opening up new vistas of business. FEDO has also secured a turn-key order relating to expansion of a sulphuric acid plant originally built by FEDO itself for Travancore Titanium Products Ltd. at Trivandrum as also a prestigious order for special testing facilities for the Indian Navy. Yet another achievement during the year worth special mention is the securing of the order for techno-economic feasibility study for a sulphuric acid plant and alum plant in Zambia.

The fabrication, Division, FEW, has also been growing steadily. The order book position of FEW has improved further from the previous year's level of Rs.

87 million to Rs. 95 million. Some prestigious orders such as Hatch Covers for the second ship "Ratna Deep" for Cochin Shipyard Ltd. and IPC Tank Wagons for the Indian Oil Corporation were awarded to FEW during the year. The project work at Bangalore for fabricating and laying 84 kilometres of steel transmission main for augmenting the water supply to Bangalore city is presently in full swing.

Electronics for Telephone Systems

The Posts and Telegraphs (P and T) Department has drawn up a comprehensive plan for introduction of electronic switching system in the country in large scale in the present decade. These switching systems employ electronic components and devices which have a much higher reliability. The existing crossbar and strowger type of switching systems working at present in the telecommunication network in large numbers use electro-mechanical components which get worn out requiring frequent adjustment and maintenance.

This was stated recently at New Delhi by Mr. C.M. Stephen, Union Minister for Communication at the meeting of the Consultative Committee of Members of Parliament attached to his Ministry.

Further replying to a question, the Minister said that consequent upon the introduction of electronic switching system in the network beginning in 1982-83, the performance of the Metropolitan telephone systems, where the electronic-systems will be introduced first, is expected to show gradual improvement.

In reply to another question, Mr. Stephen said that the Department has set forth many objectives while conceiving the perspective plan for the current decade (1980-90). The objectives are to provide telephones and telex connections practically on demand; full automation of the local telephone exchange network; Replacement of all life expired exchange and other equipment in the network, as and when due; Provision of subscriber dialling facilities on an integrated STD trunk network between all cities and towns with a population of 50,000 or more; Provision of subscriber dialling facilities between all telephone exchanges within a secondary switching area (a secondary switching area is co-terminous with boundaries of one or two Revenue Districts); and extension of telephone service either through a telephone exchange or long-distance public telephone to within five kilometres of most inhabited locations in the country.

The Minister informed the Committee that to achieve the objectives, the Department has already ordered to import 15,000 lines of electronic trunk automatic exchanges to be installed at Bombay, Calcutta, Delhi and Madras. It is proposed to expand these exchanges by another 9,000 lines.

Orders have also been placed for import of 30,000 lines of local electronic exchange each 10,000 lines for Bombay, Delhi and Calcutta. Global tenders have been received for 60,000 lines of small electronic exchanges of 200 and 600 lines capacity. Another global tender for 60,000 lines of medium sized electronic exchanges in the capacity range of 2,000 and 4,000

lines have also been received and are being evaluated. Electronic type PABXs with 8,300 lines capacity are also being imported in connection with the Asian Games.

The Minister further said that global tenders have been invited for setting up of two electronic switching system factories with a capacity of 500,000 local exchanges lines each per annum. It is also proposed to set up an electronic switching factory at Palghat for manufacture of 60,000 lines of digital TAX equipment along with 50,000 lines of rural automatic exchanges and 40,000 lines of PABXs.

In reply to another question the Minister said that an outlay of Rs. 98.2 million has been approved by the Planning Commission for expansion the postal network in the sixth plan period. It is proposed to open 8,000 new post offices in rural areas. In addition, counter facilities will be provided to 10,000, more villages through mobile post offices. 10,000 letter boxes will be installed and 10,000 additional extra departmental agents will be appointed and 20,000 telegraph offices all over India will be opened during the sixth plan period, the Minister said.

More Rural Roads during 1981-82

Approximately 4,566 villages are expected to be connected with all weather rural roads under the Minimum Needs Programme (MNP) during 1981-82. Giving this information in the Rajya Sabha recently, the Union Minister of State for Agriculture and Rural Reconstruction Mr. Baleshwar Ram said that according to the guide-

lines issued by the Union Government 100 percent villages having a population of 1500 and above and 50 percent of the villages having a population between 1,000 and 1,500 are to be connected by all weather roads during the period 1980-90 and 50 percent of this target is to be achieved by 1985. He said in the case of hills and tribal areas the above conditions may be relaxed to allow a cluster of villages approach.

Science and Technology

More Telecom Channels on INSAT

For the Indian Domestic Satellite System (INSAT), two satellites, 1A and 1B, are being placed respectively at 74 degree E and 94 degree E longitude positions in the geostationary equatorial orbit. Statellite 1A is due to be launched early in April 1982 and 1 B during 1983-84. These two orbit locations were decided upon by India for coordination with other nearby satellite networks in the Indian ocean region, in accordance with international regulatory procedures. The coordination process is intended to ensure that mutual radio frequency interference effects among the various satellite networks are held within permissible limits.

The Ministry of Communications, Wireless Planning and Coordination (WPC) Wing is the designated national agency for effecting such coordination on behalf of India.

For INSAT, interference coordination was necessary, particularly with satellite networks of INTELSAT

(International Telecommunication Satellite Organisation) Indonesia and USSR. Detailed discussions had been held by an Indian team with INTELSAT in January 1977. Subsequently, a formal agreement was also signed between INTELSAT and India.

In the coordination process, India had agreed to certain constraints on the technical parameters for the INSAT 1A satellite specially, for meeting INTELSAT interference criteria, which were stricter than those stipulated by the International Telecommunication Union (ITU). These meant, reduced telecommunication channel capacity. However, in September 1980, INTELSAT decided to fall in line with ITU criteria, which opened up the possibility for India to seek further coordination with INTELSAT in order to enable full exploitation of the potential channel capacity of the INSAT satellites.

An opportunity for a dialogue with INTELSAT for this purpose became available in connection with the proposal of INTELSAT to locate some of their Indian Ocean satellites at 66 degree E, in addition to the existing locations at 60 degree E and 63 degree E. The 66 degree E location required interference coordination by INTELSAT with INSAT.

A team of experts led by Mr. T.V. Srirangan, Wireless Adviser to the Government of India, recently held discussions on this matter with INTELSAT in Washington D. C. A very good measure of understanding was reached in regard to further coordination of the various INTELSAT networks with the INSAT networks.

As a result it would now be possible to derive an additional 1,500 two-way

speech channels from the two INSAT satellites without any extra cost to the space segment. This works out to an increase of about 12 percent in the presently planned capacity of the satellites. It will also be possible to derive an additional TV distribution channel from each of the satellites. The understanding also covered the requirements in respect of the radio networking and disaster warning services, which have now been decided to be provided on the INSAT.

The successful negotiations by the Indian Team paves the way for a larger and more intensive exploitation of the telecommunication capacity of the INSAT system.

Solar Powered Refrigeration

According to the Central Salt and Marine Chemicals Research Institute (CSMCRI), Bhavnagar, it has designed, fabricated and installed a solar refrigeration unit of one tonne capacity. The refrigeration unit is the first step towards designing solar-powered cold storages and ice factories for the non-electrified villages producing perishable goods.

Equipment of the unit is mostly of steel. The unit has an array of six solar collectors with mirror boosters for the water circuit. The generator, condenser and absorber are in the form of shell and tube type heat-exchangers.

A double pipe heat-exchanger is used for pre-heating a strong solution flowing from the absorber to the generator. A bubble-cap column is used as an analyser and a natural draft type cooling tower is provided in the cooling water circuit of the unit.

The Institute is setting up a 10-tonne capacity cold storage unit for the

Gujarat, Energy Development Authority (GEDA) of the Government of Gujarat, under a grant-in-aid programme financed by the Authority. It would then develop a solar ice-machine. The Institute has also designed and fabricated a 10-kilogram capacity solar ice machine.

New Stove with Higher Thermal Efficiency

To overcome the problems associated with existing stoves as well as to have an improved thermal efficiency, a wick-less stove has been designed and developed by a scientist of the Indian Institute of Science, Bangalore. The thermal efficiency of the stove is of the order of 60 percent as compared to the wick-stove which has a 40-45 percent thermal efficiency. It has a less kerosene consumption of the order of 8 to 9 hours per litre.

The colour of the flame is blue and is practically free from any soot. The temperature of the flame is also higher than in a wick-stove. There is no unpleasant smell either during operation or at the time of extinction of the stove which is practically trouble-free and requires little maintenance.

The new design has the advantages of both the pressure stove and the wick-stove without the problems associated with the pressurised tank or the wicks. The quantity of kerosene vapourised is regulated before vapourisation, thereby preventing cracking or formation of carbon particles.

Three Decades of Indian Agriculture

In the 34 years since independence landable progress has been achieved in the areas of agriculture, horticulture animal husbandry and allied disciplines.

Agro-based industries have grown throughout the sub-continent. The farmer has derived great benefits from the modern technique of using fertilisers, pesticides and mechanical aids. Animals and crops have greatly improved.

The Government of India's investment in agriculture and irrigation has been steadily increasing from Plan to Plan. In the First Five Year Plan, the Government spent only Rs. 3,570 million and Rs. 17,536 million were sanctioned during the Third Plan, Rs. 36,745 million during the Fourth, Rs. 62,058 million during 1974-78 period of the Fifth Plan and about Rs. 60,321 million in 1978-80. In the Sixth Plan, the public sector outlay on agriculture and allied sectors and irrigation and flood control has gone up to Rs. 246,990 million. This is more than the total outlay so far and compared to the First Plan outlay, this is about 70 times more. Allotment on research and extension is not included which in itself is sizeable.

As a result of this huge investment, taking the period from 1950-51 to 1980-81 into consideration, the foodgrains production went up almost two and half times, from 55 million tonnes to 133 million tonnes. The most spectacular achievements, due to the hard work of the Indian farmers, the concerted efforts of the Government and the valuable contributions made by agricultural scientists, have been in cereals like wheat and paddy and fibres like cotton. During the span of 30 years, the production of wheat increased from 6.8 million tonnes to 36 million tonnes. Rice output rose from 22.10 million tonnes to about 56 million tonnes. The record of achievements in respect of commercial crops too has been encouraging.

Cotton in terms of lint went up from three million bales to almost eight million bales. Sugarcane yield shot up from 70.5 million tonnes to 152.3 million tonnes, touching at one time, the level of 177 million tonnes. A harvest of 180 million tonnes is expected this year. Production of the principal tuber crop, potato, increased more than five fold from 1.8 million tonnes to 10.1 million tonnes.

In the Sixth Five Year Plan, foodgrains production is planned to go upto 124 million tonnes by 1984-85. The target of foodgrains production for 1981-82 has been set at 138.5 million tonnes, comprising 58 million tonnes rice, 38 million tonnes wheat, 30 million tonnes coarse grains and 12.5 million tonnes of pulses.

Government plans through Centrally Sponsored programmes supplemented by the programmes of the State Governments, to increase the production of pulses and oilseeds which have been in short supply in the country. The production of pulses is planned to be raised to 12.5 million tonnes during 1981-82 as against the achievement of 11 million tonnes in the previous year. The Sixth Plan target is set at 14.5 million tonnes. The strategy for development of pulses is to increase the irrigated area under moong, urad, gram and arhar; to inter-crop pulses in millets, oil-seeds, cotton and sugarcane and to increase yield by utilising the available technology.

Besides groundnut, non-traditional sources of edible oil like soyabean and sunflower will get more attention in this Plan. With a view to promoting the production of soyabean which not only provides good quality vegetable oil but also supplies adequate protein, a special project with an outlay of

Rs. 150 million has been initiated in Madhya Pradesh where the soil is most suited for the growth of soya-bean. The scheme aims at extending the area under the crop to 1.8 million hectares from the present level of 0.45 million hectares. This is expected to make a significant contribution to the edible oil supplies in the country.

Further, scientists have been asked to step up their research efforts with a view to achieving a breakthrough in pulses and oil seeds too.

The achievements in the sphere of crop-production during 1980-81, mentioned above, were the result mainly of the efforts made by the Government to mobilise adequate availability of various crucial inputs such as irrigation, chemical fertilisers, quality seeds, pesticides etc. and to strengthen the arrangements for transfer of technology to farmers.

During the Sixth Plan, plant protection measures will be strengthened to reduce crop losses and to improve yields. The measures proposed include enlarging the delivery system of inputs like pesticides and plant protection equipment, strengthening of the quality control machinery and setting up of plant protection squads for fighting pest epidemics. An Enforcement Cell is proposed to be established at the central level with five zonal units. Attention will be paid to the strengthening of the arrangements for aerial spraying of pesticides in order to ensure speedy and effective control of pest attacks.

Surveillance on the emergence of pests and diseases will be intensified both on kharif and selected rabi crops. Training arrangements will be strengthened with a view to personnel

improving the professional competence of the plant protection.

Such being the overall picture of the progress of agriculture, the importance of credit for agricultural development cannot be over-emphasised.

The main objectives of the institutional credit policy in the Sixth Five Year plan are (a) to secure an increase in the total volume of institutional credit for agriculture and rural development, and (b) to direct a larger share of the credit to the weaker sections.

The number of Regional Rural Banks, which are special credit institutions established for meeting the credit needs of the rural poor, was 70 in June 1980. The number is expected to rise to 170 covering 270 districts during the Sixth Plan Period. During the year 1980-81, the number of Regional Rural Banks increased to 102 and the number of branches opened by them increased from 2,520 to 3,460.

The Government has decided to set up a National Bank for Agriculture and Rural Development, which will function as an apex institution in the field of agriculture and rural credit. Accordingly the interests of the small and marginal farmers have been taken care of through the scheme of subsidising seeds, pesticide and fertilisers, including nitrogenous fertilisers. For small and marginal farmers in the mono-cropped areas, where the damage due to drought was more than 50 percent, the schemes had been extended upto March 1981. The interest liability on current loans in areas where the crop loss was more than 50 percent, was also waived under certain conditions. A record number of 32,000 villages were provided with durable sources of drinking water. The manner in which one of the severest and most widespread droughts of the century was handled without a single starvation death and without import of a single grain of food, has drawn world-wide acclaim. The Prime

Minister's 12-point programme was instrumental in the successful management of drought.

Fortunately, India today has one of the largest physical infrastructures for agriculture research available anywhere in the world. It has 33 central institutes located in different parts of the country and 21 agricultural universities. The outlines for the coming decades have been determined and a three pronged approach decided on improving production and productivity by more efficient use of the farming potential available, on better conservation of food crops and farm products from the time of harvest to the time of consumption and on improving consumption by raising the purchasing power of the rural and urban poor through programmes like National Rural Employment Programme, Food for Nutrition and Integrated Rural Development.

Read

ECONOMIC AND COMMERCIAL NEWS

to keep abreast of latest developments on

❏ **EXPORT MARKETING**

❏ **INDUSTRIAL GROWTH**

❏ **SCIENTIFIC RESEARCH**

❏ **PRODUCT DEVELOPMENT**

❏ **QUALITY CONTROL ETC. ETC.**

Single copy : 80 Paise

Annual Subscription : Rs. 40/-

Please send your subscription through crossed bank draft/Indian postal order in favour of "Trade Fair Authority of India". Pragati Maidan, New Delhi-110001.

Programme of Forthcoming Participations in Trade Fairs/Exhibitions Abroad

- | | |
|--|------------------------------|
| 1. Santiago International Trade Fair-FISA '81,
Santiago (Chile) | October 29—November 15, 1981 |
| 2. Indian Exhibition, Bahrain | February 1-10, 1982 |
| 3. Indian Exhibition, Nairobi, (Kenya) | March 12-21, 1982 |
| 4. Cairo International Fair, Cairo
(Arab Republic of Egypt) | March 13-27, 1982 |
| 5. Indian Exhibition, (Algeria) | May, 1982 |
| 6. Indian Exhibition, Kuala Lumpur
(Malaysia) | November, 1982 |
| 7. Indian Exhibition, London (UK) | November, 1982 |
| 8. Indian Exhibition, Mexico | May, 1983 |
| 9. Hannover International Fair, (FRG) | April, 1984 |
-

Further information can be obtained from the Manager (Exhibitions), Trade Fair
Authority of India, Pargati Maidan, New Delhi-110001.

FACILITIES FOR INTERNATIONAL EXHIBITORS AT INDIA INTERNATIONAL TRADE FAIR, 1981

Trade Fair Authority of India (TFAI) is organising India International Trade Fair 1981 (IITF '81) from November 14 to December 4, 1981 at Pragati Maidan, New Delhi. The main objective of the Fair is to promote international trade and encourage new investment in India as well as in third countries. The Fair will project India's allround progress in the fields of industry, agriculture, trade, science and technology. As many as 50 foreign Governments at the national level and more than 3,000 companies from India and abroad are expected to participate in the Fair.

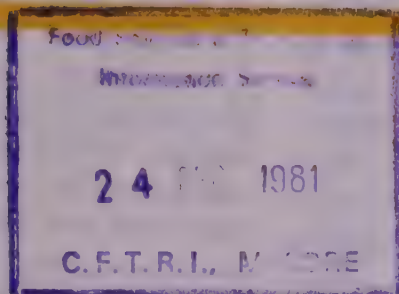
With a view to making foreign participation meaningful, a number of facilities are being provided to the international exhibitors for expeditious disposal of the exhibits displayed by them. These are listed below :—

- (1) Government of India have issued instructions to all Ministries and public sector undertakings that as far as possible, in regard to their import requirements, they should make their purchase from the goods that are displayed by international exhibitors at the Fair.
- (2) The capital goods requirements have been compiled in the form of booklet which is available with TFAI for reference of those foreign governments and firms who wish to participate in the Fair. This will facilitate the concerned Departments to make their selections and order for their purchases from the exhibit that are displayed at the Fair.
- (3) For expeditious disposal of exhibits that are displayed at the International Fair, Government of India have streamlined customs and licensing procedure as under :—
 - (a) Fair Quota to the maximum of Rs. 5 million in foreign exchange per exhibitor has been earmarked for disposal of the exhibits displayed at the Fair.
 - (b) In respect of capital goods upto a value of Rs. 1 million per item, Chief Controller of Imports and Exports (CCI and E) has simplified the licensing procedure to ensure that such licence are issued on the spot.
 - (c) In respect of items of the value of over Rs. 1 million, special meetings of the Capital Goods Committee (CGC) will be conveyed to ensure that these applications for import licences are disposed of expeditiously.
 - (d) Item falling under Open General Licence (OGL), and Indian importers holding licence for the items of their purchase, will be allowed direct purchase and clearance by the Customs located at Pragati Maidan.
 - (e) Customs and Chief Controller of Imports and Exports offices will be located at Pragati Maidan to facilitate expeditious clearance of goods.
 - (f) As an incentive for developing countries to participate in the Fair, following items of consumer goods which are otherwise banned for import into India, have been permitted for disposal by the developing countries participating in the Fair : handicrafts, garments, jute goods, toys other than electronics, cosmetics, house-hold goods other than electrical and electronics, ladies fashion wear, leather goods, glass-wares, dry fruits, and honey.
 - (g) International exhibitors have been allowed duty-free import of publicity and advertising materials for free distribution during the Fair.
 - (h) To make participation more attractive, several other relaxations in regard to customs and licensing regulations have been agreed to by the Government.

Further details may be obtained from the Trade Fair Authority of India, Pragati Maidan, New Delhi-110 001.

65
Vol. XI, No. 46, November 14, 1981, New Delhi, India

economic and commercial news



News Highlights

Vice-President Inaugurates IITF '81

The Vice-President of India Mr. M. Hidayatullah inaugurated the India International Trade Fair, 1981 at a colourful ceremony at Pragati Maidan, New Delhi on 14th November. He said that in recent years, the gap in technology between developed and developing countries had widened. This gap had introduced impediment in the free flow of international trade and improved market access to products of developing countries. He remarked that the fair would somewhat bridge this gap and make both parties aware of each other's capability and capacity. Suitable mutual adoption of the technologies was thus made possible. He further said that the fair would give foreign friends a glimpse of the vast strides India had made in recent years in agriculture and industry, in technology and science talent and at the same time would give an opportunity to Indian entrepreneurs, technicians and scientists to know at their very door steps knowledge of what was going in the outside world. He said that the theme selected for the fair was 'Energy Options for Developing

Export Performance and Potential

India International Trade Fair, 1981

India International Trade Fair, 1981 (IITF '81) has been organised by the Trade Fair Authority of India from November 14 to December 4, 1981 at its sprawling exhibition complex at Pragati Maidan in New Delhi. Modelled on the historic ASIA'72 exhibition held at the same venue, IITF '81 marks the beginning of a series of annual international fairs to be organised by the Trade Fair Authority of India.

The Fair aims at promoting trade and economic co-operation between India and the rest of the world particularly with the large number of countries participating in this exposition. It seeks to provide a unique meeting place for diverse trading interests in the country as well as those from abroad in a setting of visual displays of a wide range of products offered for export. Thus, IITF '81 presents a rare opportunity for an Indian buyer to meet his seller from abroad and vice versa, which may lead to greater mutual trade exchanges.

Development of conventional and new sources of energy has assumed increasing significance in the world today, particularly for the developing countries. Focussing attention on this crucial aspect of national endeavour, the Theme Pavilion of IITF '81 is devoted to "Energy Options for Developing Countries". It depicts the national efforts towards meeting the energy needs of the present as well as the future. It covers all conventional sources of energy, namely, coal, petroleum

Countries', which was a topic of international importance. He hoped that there would be substantial exchange of ideas on the subject.

Indian Firms Bags Sri Lanka Contract

An international tender floated by National Water Supply and Drainage Board of Sri Lanka for supply and installation of pumping equipment for Kalutara Water Supply Project was awarded to an Indian firm, M/s. Trading Engineers (International) Pvt. Ltd. Delhi. The contract value for this project is Rs. 6,458,318 while the local component is S.L. Rs. 187,050. This project is to be financed by World Bank funds totalling S.L. Rs. 15 million. This is revealed in a commercial report of the High Commission of India in Colombo.

Contents

Export Performance and Potential

India International Trade Fair, 1981	1
AIR Talks between India and UK	4
Rise in India's Exports to Singapore	4
Indian Aviation Expertise Sought by Seychelles	5
Exporting Telecommunication Expertise	5
Scheme for Gold Ornaments Export by HHEC	6

Industrial Growth and Diversification

Energy Pavilion at IITF '81	6
Sikkim Excels in Cardamom Production	8
Notable Increase in Production in Industrial Development Units	8
Development of Oil Resources in India	8

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this journal.

hydel, thermal, atomic as well as the renewable and alternative sources of energy. Progress made by the country in the field of conservation of energy is also highlighted alongwith energy prospectives in the coming decades. The display is put up in four units in Hall Nos. 2, 3, 4 and 5. In the adjoining open area, there are displays on solar energy, biogas, wind-power etc. The Theme Pavilion is a focal point of interest in IITF '81 both for the Indian and foreign visitors.

IITF '81 covers various aspects of trade, industry, scientific and technological experience of various participants. A large number of countries from various regions of the world are taking part in the exposition. The list of foreign countries includes : Afghanistan, Algeria, Australia, Austria, Bahrain, Bangladesh, Bhutan, Brazil, Bulgaria, Canada, Czechoslovakia, France, German Democratic Republic, Federal Republic of Germany, Ghana, Hungary, Indonesia, Iran, Iraq, Italy, Japan, Kenya, Democratic Peoples Republic of Korea, Republic of Korea, Kuwait, Laos, Malagasy Republic, Mauritius, Mexico, Nepal, Nigeria, Pakistan, Palestine Liberation Organisation, Romania, Saudi Arabia, Senegal, Sri Lanka, Sudan, Tanzania, UAE, USSR, Yugoslavia and Zambia. Apart from the above mentioned countries, 22 foreign companies from Austria, Belgium, Finland, France, Federal Republic of Germany, Hong Kong, Italy, Portugal, Switzerland, UK and USA are also taking part directly in the Fair. An interesting sidelight of the international sector is that African countries participating in the Fair are housed in one pavilion, named 'Africa House'. Likewise, Arab countries are housed together in the 'Arab Pavilion'.

The national sector at IITF '81 is fairly large; taking part in the Fair are 29 States and Union Territories, viz., Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Gujarat, Haryana, Himachal Pradesh, Jammu and Kashmir, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Orissa, Punjab, Rajasthan, Sikkim, Tamilnadu, Tripura, Uttar Pradesh, West Bengal, Andaman and Nicobar, Chandigarh, Dadar and Nagar Haveli, Delhi, Goa, Daman and Diu, Mizoram and Pondicherry.

Among the 17 Central Ministries/ Departments participating in the Fair are : Agriculture, Atomic Energy, Civil Aviation and Tourism, Council of Scientific and Industrial Research, Communication, Defence, Electronics, Environments, Information and Broadcasting, Irrigation, Railways, Science and Technology, Shipping and Transport, Steel and Mines, Space, Works and Housing and Development Commissioner (Handlooms). Twenty three leading public sector undertakings, namely, Artificial Limbs Manufacturing Corporation Ltd., Bharat Heavy Electricals, Bharat Heavy Plate and Vessels, Bharat Process and Mechanical Engineering Ltd., Coffee Board, Engel India Machine Tools Ltd., Engineering Projects (India) Ltd., Federation of Indian Export Organisations, Fertilizer Corporation of India, Hindustan Machine Tools, Instrumentation Ltd., Lagan Jute Machinery Co., Metallurgical and Engineering Consultants India Ltd., Minerals and Metals Trading Corporation, Mining and Allied Machinery Corporation, National Federation of Industrial Cooperatives Ltd., National Small Industries Corporation, Neyveli, Lignite Corporation, State Trading

Corporation of India, Steel Authority of India, Syndicate Bank, Tea Board and United India Insurance Co. have also put up their pavilions/stands.

An Export Pavilion has been set up in Hall No. 1 which houses nine export Promotion Councils, four Commodity Boards and many other export organisations.

A large number of private sector enterprises like Tata Services, Escorts, Modi Rubber, Usha Rectifier Corporation, Blue Star, Gedore Tools, Atlas Cycle Industries, MICO, Castrol Ltd., Auto Pins, Autolite India, Power Control and Appliances etc. have also set up their pavilions. Many other companies are participating in the pavilions of their respective States/apex organisations.

India is one of the major industrial nations and ranks tenth in the world. It has developed sound infrastructure and considerably diversified its production range. Its pattern of exports has been broad-based to an extent that the traditional dependence on a handful of agro-mineral based items has been replaced by a wider export composition. Today, India has established itself as a competent supplier of industrial machinery, engineering and chemical products, textiles, plastics and even nuclear isotopes. Physical exports apart, India has emerged as a noted exporter of technical know-how, consultancy services and projects. The participants have put on show latest models/designs of their products including industrial machinery, electrical and electronic goods, chemicals and pharmaceuticals, sports goods, textiles, garments hand-loom, silk and rayon, wool and

wollens, plastics and glassware, handicrafts, finished leather and leather manufactures and various consumer products. The visitor can have a look at an equally diverse and vast range of goods displayed by foreign exhibitors.

Special facilities have been accorded in the matter of disposal of exhibits against [substantial Fair Quota in foreign exchange. Sizeable portion of the country's import trade, especially in relation to the requirements of Government departments and public sector undertakings which account for bulk purchase from overseas, is sought to be channelled through this Fair. Developing countries are being allowed sale of consumer goods which are otherwise restricted under the country's import policy. Imports and customs arrangements for foreign participants have been streamlined. The Authority will assist the eligible buyers of exhibits of foreign participants in getting import licences expeditiously. Foreign participants are permitted to sell goods on display up to a ceiling value fixed proportionately to the area taken by them.

The Authority has invited a number of high-powered trade and official delegations from many countries to visit the Fair. About 48 delegations from various countries including Abu Dhabi, Afghanistan, Algeria, Bahrain, Bhutan, Finland, Iran, Iraq, Kenya, Kuwait, Malawi, Mozambique, Nepal, Qatar, Switzerland, Thailand, Venezuela and Yemen are expected to visit the Fair. The list also includes official delegations from Ghana, Guyana, Laos, Malagasy Republic, Malawi, Mozambique,

Sudan, Tanzania, Tunisia, Vietnam, Yemen and Zimbabwe.

Coinciding with this major exhibition, some trade delegations from Austria, Bulgaria, Czechoslovakia, Ghana, Italy, Malaysia, Mexico, Nigeria, Pakistan and Romania have been sponsored to visit the Fair by the concerned apex organisations in India including Federation of Indian Chambers of Commerce and Industry, Association of Indian Engineering Industry, Engineering Export Promotion Council, etc. Besides a large number of VIP's from abroad are expected to visit the fair.

Another highlight of the Fair is that a number of Seminars are being organised at Pragati Maidan during IITF '81. The seminars are devoted to such important subjects as: (i) Investment Opportunities in India; (ii) Project Technology and Engineering Exports—Prospects and Problems; (iii) Trade and Economic Cooperation with Developing Countries; (iv) Energy Options for Developing Countries and (v) Role of Small Scale Industries. These seminars are being organised in collaboration with concerned apex organisations, namely, Indian Investment Centre, Engineering Export Promotion Council, Association of Indian Engineering Industry, Indian Institute of Foreign Trade, Department of Science and Technology and Development Commissioner, Small Scale Industries, respectively.

Foreign participants will celebrate their National Days at Pragati Maidan by staging their traditional dances, musical performances, screening films based on their country's traditions. Indian

States will celebrate their State Days and present their traditional cultural programmes. Two interesting Fashion Shows are staged every day in Shrinagar Theatre with the assistance of concerned export promotional agencies. Classical and folk dances, ballets, musical performances, dramas etc. are presented by renowned and leading artistes and troupes at various theatres at Pragati Maidan. In addition, art films are screened every day at the Shaktalam Theatre.

Two new audio-visual programmes on "Symphony of Industry" and "Testament of Nehru", in collaboration with M/s. Art Centrum of Czechoslovakia, would be screened in 'Our India' Pavilion. As part of the activation programme of Pragati Maidan since October 1980, a number of attractions have been introduced for the visitors. There is a permanent exhibition, "Jawaharlal Nehru — His life and His India". An Art Gallery in the mezzanine of the Exhibition Complex displays Indian contemporary paintings and sculptures under the aegis of Lalit Kala Akademi. Sale of art publications and reproductions of paintings have been arranged at the Art Gallery. Another attraction is the Crafts Museum in the Village Complex. There is something special for the entertainment of children — a mini-train going round the fair grounds, a skating rink, dogdem cars, magic shows, video games etc. The shopping complex comprising Anarkali, Meena and Charminar Bazaars offers late night shopping opportunities at the fair grounds. A group of restaurants and kiosks spread all over Pragati Maidan serve food and snacks for varying tastes.

A special corner in Pragati Maidan has been allocated for use of young artists and cartoonists who can do on-the-spot painting, draw sketches or cartoons. These paintings, drawings and cartoons are to be sold to the general public visiting the Fair. A panel of specialists would examine such paintings, drawings and cartoons for being given prizes. For the younger generation, a 'Youth Corner' presents musical programmes to suit their mood.

There is also a fascinating display of various military costumes and standards pertaining to different periods of Indian history.

A Business Information Centre has been set up in the Exhibition Complex.

AIR Talks Between India and UK

Consultations between the delegations of the Government of India and the Government of United Kingdom relating to air services concluded at New Delhi recently.

The discussions which covered a wide area and resulted in a comprehensive review of the arrangements, were held in a warm and friendly atmosphere.

According to the revised arrangements, Air India would be entitled to operate 14 services per week to United Kingdom with a proviso that 7 of those services may operate to North America. Air India would also be entitled to operate 4 services per week through Hong Kong to Japan and additionally one service terminating at Hong Kong. Reciprocally, British Airways would be entitled to operate 14 services to India with a proviso that 7 of those services may operate to points beyond India and Cathay Pacific Airways

would operate 4 services through India from Hong Kong to United Arab Emirates.

The airlines are free to use aircraft of any capacity except supersonic aircraft. The new areas of review mainly related to rationalisation of the routes through which these airlines could operate. Air India can within the predetermined frequencies operate air services to London, Hong Kong and Birmingham. Reciprocally, the two British air carriers can, within the predetermined frequencies, operate to Calcutta, Bombay and Delhi.

The revised arrangements are effective from January 1, 1982.

The Indian delegation was led by Dr. B. Venkataraman, Secretary, Union Ministry of Tourism and Civil Aviation and the UK delegation was led by Mr. C.W. Roberts, Under Secretary, Civil Aviation International Relations Division, Foreign and Commonwealth Office.

Rise in India's Exports to Singapore

According to a commercial report of the High Commission of India in Singapore, India's exports to Singapore during April to May, 1981 amounted to S\$ 64.8 million (Rs. 232.67 million) marking an increase of S\$ 22.3 million (Rs. 80.07 million) or 52 percent compared with S\$ 42.5 million (Rs. 152.60 million) in the corresponding period of the previous year.

As regards India's imports from Singapore during April to May 1981, these amounted to S\$ 159.7 million (Rs. 573.42 million), a decrease of S\$ 117.0 million (Rs. 420.10 million) or

42 percent compared with S\$ 276.7 million (Rs. 993.52 million) in the similar period last year.

Thus, the total trade between India and Singapore during April to May 1981 amounted to S\$ 224.5 million (Rs. 806.09 million), a decrease of S\$ 94.7 million (Rs. 340.03 million) or 30 percent compared with S\$ 319.2 million (Rs. 1,146.12 million) in the similar period last year.

Indian Aviation Expertise Sought by Seychelles

Seychelles has asked for Indian expertise in civil aviation matters particularly aviation communication.

The question of deputing Indian aviation experts for looking after aviation requirements of Seychelles and advising the island's Government was taken up at length recently in New Delhi when Mr. Maurice Loustau-Lalanne, Director of Civil Aviation of Seychelles called on Mr. A.P. Sharma, Union Minister for Tourism and Civil Aviation.

Mr. Lalanne also discussed aviation and tourism matters of mutual interest with Dr. B. Venkataraman, Secretary Ministry of Tourism and Civil Aviation; Mr. S. Ramanathan, Chairman, International Airports Authority of India and Mr. G. R. Kathpalia, Director General Civil Aviation.

Indian meteorologists are already assisting the island.

Exporting Telecommunication Expertise

India has achieved a breakthrough in selling telecommunication expertise in West Asia and Africa and is now

exploring highly competitive markets in South East Asia and Latin America. The Telecommunications Consultants India Limited (TCIL), a public sector undertaking under the Union Ministry of Communications, has within a short period of three years expanded its services to many countries viz., UAE, Oman, Kuwait, Iraq, Yemen Arab Republic, Jordan, Libya and Nigeria. The Company will shortly be starting its activities in Kenya and Zimbabwe, according to Mr. M. P. Shukla, Chairman of TCIL.

Amongst the major contracts, the important ones are in Nigeria and Yemen Arab Republic. In Yemen Arab Republic, the Company has at present 3 projects costing Rs. 139.7 million. The last one was signed in June 1981 for providing underground cable plant in five towns of that country. The second project is for providing 40,000 telephone connections and also organising a Subscriber Relations Cell in the Ministry of Communication in Yemen Arab Republic.

The most recent agreement is with Nigeria which provides for the training of Nigerian technicians by the Indian experts and also for maintenance and operation of Telecommunication Services. This will be in two phases. The first phase is worth Rs. 60 million and the second phase is likely to be of a greater value. Fifty engineers from India have already been deputed to Nigeria for this purpose.

An agreement is going to be signed with Kenyan Posts and Telecommunications Corporation for providing expert service in Telecommunication services in that country. For that purpose Twenty five senior engineers will be sent to Kenya soon.

Similar contracts are in the offing with the Telecommunication Administration of Zimbabwe, Mozambique and Libya. As many as fifty technicians will be deputed to Zimbabwe soon by TCIL.

TCIL is to provide consultancy services for installation and maintenance of large electronic PABXs and also maintenance of underground cable network in Kuwait. This order is of the value of Rs. 10 million.

In Oman, the Company will be providing consultancy services in the field of installation, operation and maintenance of telephone exchange and transmission lines under a contract worth about Rs. 25 million. The period of this contract is two years.

Since the formation of the TCIL, as many as 79 offers were made and it has been able to win 37 contracts worth Rs. 270 million approximately. A number of other offers made are under active consideration.

In India, a number of consultancy contracts have been awarded to TCIL. The main contracts are a UHF System between Barauni-Naharkatya for Pipeline Communications, Bay Exploration Project of Oil India Limited, Design of Telecommunication facilities for Central Coal Fields, Hotel Communication Facilities for India Tourism Development Corporation (ITDC) and the Design of Telecommunication facilities for Koel Kero Projects of M/s. National Hydro-electric Power Corporation of India. A large number of other contracts in India are under negotiations for providing consultancy services to the specialised agencies such as Fire, Police, Wireless Traffic Control etc.

The year 1980-81 is the second full year of operation of TCIL. As com-

pared to the first year, the second year has recorded a phenomenal growth both in terms of turn-over and in terms of profits. The turn-over including the work in progress has increased from Rs. 14.22 million to Rs. 78.645 million and profits after providing for depreciation have increased from Rs. 1.243 million to Rs. 12.033 million. The services of the Company, mostly export-oriented have earned a foreign exchange of Rs. 15.36 million.

Scheme for Gold Ornaments Export by HHEC

The Government of India has notified a scheme for export of gold ornaments and articles for sale at exhibitions to be held in the United Arab Emirates (UAE) by the Handicrafts and Handlooms Export Corporation of India (HHEC) in November 1981 and for import of gold as replenishment.

Under the scheme, the items for exports should be made of gold and of purity not less than 0.5833 fineness which corresponds to 14 carats. The exports will be made by HHEC or its associates on consignment basis with the approval of Reserve Bank of India, for holding exhibitions in UAE. Purchase of gold as replenishment will be made by HHEC and will be released subsequently to eligible associates in accordance with procedure laid down in this regard.

The export is subject to the condition of value added of 12 percent over the value of gold content.

Exports and sales of items under this scheme will not qualify for any other replenishment/benefit except to the extent of replenishment of gold content as laid down in the scheme.

Industrial Growth and Diversification

Energy Pavilion at IITF '81

The theme of the India International Trade Fair, 1981 (IITF '81) being held at Pragati Maidan, New Delhi, from November 14 to December 4, is 'Energy Options for Developing Countries'.

The entire world today is facing a challenge of energy crisis. It is, therefore, very important for the country facing increasing fuel import bills to meet this challenge by increasing her exports. Industrial output and economic development are directly linked with the availability of energy. India has built up sufficient infrastructure and technical expertise to tackle the basic problems of energy. Indian scientists, engineers and planners are making every effort to meet the big energy challenge.

The Energy Pavilion is housed in the four units of the Hall of Industries with a covered area of 6327 square metres and an open area of approx. 1500 square metres.

The introductory area of the pavilion portrays the primary role of Energy in the Life of Man. In this area a brief summary of the main energy resources of the world and India is projected. Various panels give an overview of the development of commercial sources like coal, oil and electricity. The efforts made in the development of non-commercial and new and renewable sources of energy are also touched upon. This introductory area of the pavilion gives the visitors a basic idea of the role of energy and the development in India in the energy sector. There are then

given detailed exposition sector-wise in the succeeding sections.

The next section is devoted to coal where the visitor is taken through a life size mock-up of a coal mine on to display area depicting various aspects of coal mining, coal handling and its transportation. In view of the fact that in the coming two decades, coal will be playing an increasing role to meet the energy requirements of the nation, special emphasis has been laid on the modern techniques of mining to increase the output of the coal. Audio-visual presentation and films are being screened to dynamically bring out various aspects of coal mining and its transportation.

A section covering 1,500 square metres area is devoted to petroleum. The four main aspects of display are devoted to exploration of oil both onshore and off-shore, oil refining and marketing, research and development activities and effective measures both at the refinery end as well as the consumer end. The display is by means of photographs as well as models, supported by the audio visual media. The thrust of the entire display is to project the national picture of the petroleum industry specifically after Independence, the efforts made to step up indigenous production and the steps being taken to create public awareness about the need of preservation of this precious source of energy.

The visitor then enters the power sector, starting with hydro electric power generation programmes. The display unravels the various macro and micro hydel projects currently taken on hand for execution and also future projects under the anvil. Several models of these projects along with supporting photographs give an

idea to the visitor of the efforts made by the country for optimum utilisation of this renewable source of energy which goes a long way to supplement power generation. The role played by National Hydro Electric Power Corporation in the development of hydro-power is also touched upon in this sector.

Next section of the power sector is devoted to thermal power generation based on coal. Thermal power based on coal is essential for meeting the immediate demand of power in the coming two decades. In this sector, the visitor is given an idea of the development of thermal power generation projects. The role played by National Thermal Power Corporation in this direction is also high-lighted. Models and photographs give an idea to the visitor about the current and proposed projects for establishing super thermal power stations located near the coal pitheads taking advantage of economy of size and facility of transmission of power. Audio-visual presentation explains to the visitor the salient technical features of these giant power stations. The development of high voltage transmission system and the evolution of the national grid are also covered in this sector.

The visitor is then given an idea of indigenous development of the power equipment industry. Power generation, transmission and its distribution support a wide variety of electrical industry both big and small. Bharat Heavy Electricals Ltd. (BHEL) is one of the biggest public sector undertakings manufacturing generators, turbines, boilers, transformers, insulators and other auxiliary power equipment required to meet the ever increasing demand of new power projects of

the country. The various Research and Development (R and D) activities of this organisation to evolve new and more efficient technology for meeting efficient power generation and its distribution also forms part of the display in this sector.

Sophisticated instrumentation plays a vital role in all aspects of power generation as well as its distribution for formation of power grids to optimise power generated by various locations. Instrumentation Ltd. is a major public sector undertaking in the field of instrumentation. The application and product range of this industry is depicted as part of the power sector in this section.

India is still a land of villages and 80 percent of the population lives in villages. The Rural Electrification Corporation is a Government of India enterprise to promote and finance the rural electrification in planned and scientific manner which is vital for Socio-economic programme for the benefit of the all round development of rural areas. One section of the power sector is devoted to highlight the activities of this organisation for taking power to the villages/remote areas not only for providing the amenities of modern life but also to meet the requirements of power for agriculture.

India has embarked on an ambitious nuclear energy programme to meet the ever increasing demand for energy. The Atomic Energy Department unfolds to the visitor the above programme based on higher technology. Efforts to utilise indigenous sources of uranium and thorium for nuclear power production, development of fast breeder reactor, R and D develop-

ment, power generation by magneto hydro dynamics (MHD) are the major points of interests in the section setup by the Atomic Energy Department.

The next section is devoted to Conservation of Energy. This area depicts the technological approach of energy conservation, measures applied right from its generation and transmission upto the end use. The various R and D efforts to improve efficiency at every stage are the panels giving methods by which energy can be saved by consumers in the domestic, agriculture, industrial and transport sectors. Few simple tips for conservations in various sector are also given.

A section both in covered area as well as in the open area is devoted to display various new and renewable sources of energy and their applications. The Department of Science and Technology is depicting these sources of energy and their applications. This covers bio-gass, bio-mass, wind power, solar energy for generation of electricity heating, refrigeration etc. The special feature of these exhibits is the rural bias, whereby the results of R and D efforts in these fields are directly made available to rural areas.

Area is allocated for depicting a futuristic panorama of energy production, in which alternative and renewable sources of energy are likely to play an ever increasing role. The technological possibilities of various new developments in the energy sector are outlined. This gives the visitor an idea of the diverse areas of research in the field of energy being undertaken in the world.

The whole pavilion is an attempt to visualise the role of energy and its

vital importance to support and expand country's industries and agriculture and thereby contribute to the economical advancement of the country and also to improve the quality of life of the people.

Sikkim Excels in Cardamom Production

Four thousand farmers of Sikkim cultivating 20,000 acres of land, are producing nearly 2,000 tonnes of large cardamom, which is the world's highest annual production. It represents 70 percent of India's output, the remaining 30 percent being contributed by Assam and West Bengal.

As a first step towards finding foreign markets for large cardamom, the Union Ministry of Commerce has decided to set up a Research and Development Institute at Panthang, seven kilometres from Gangtok. A sum of Rs. 10 million has been earmarked for this purpose. The State Government of Sikkim has provided 50 hectares of land for the Institute.

According to the Governor of Sikkim, Mr. Homi J.H. Taleyarkhan, there are great prospects for export of large cardamom to West Asian countries.

Notable Increase in Production in Industrial Development Units

Public sector undertakings under the Union Department of Industrial Development achieved 97.13 percent target during August, 1981. Total production was valued at Rs. 254 million being 97.13 percent of the target of Rs. 261.5 million. This shows an increase of 50.15 percent over that of August, 1980 (Rs. 169.14 million). The monthly production excludes Hindustan Salts Ltd., which is engaged in a seasonal industry.

The cumulative production during the

first five months of the current year (1981-82) was valued at Rs. 1,064.91 million 85.32 percent of the target of Rs. 1248.08 million. This was 32.18 percent higher than the production of Rs. 805.63 million in the corresponding period last year.

Public sector undertakings which achieved over 100 percent target were Cycle Corporation of India Ltd. (131.00 percent), Hindustan Paper Corporation Ltd. (123.90 percent), National Instruments Ltd. (114.65 percent), National Newsprint and Paper Mills Ltd. (102.54 percent), Instrumentation Ltd. (108.08 percent), and Andrew Yule and Company Ltd. (100.37 percent).

The undertakings which achieved over 80 percent target were Cement Corporation of India Ltd. (93.58 percent), Hindustan Cables Ltd. (90.78 percent), Hindustan Photo Films Mfg. Co. Ltd. (90.26 percent), and Tannery and Footwear Corporation (91.79 percent).

Following is the performance of some of the public sector undertakings in terms of the targetted levels of production, actual production and percentage achievement during the month under review :

Cycle Corporation of India Ltd. : The production of Cycle Corporation of India Ltd. during the month has been of Rs. 16.9 million, 131.00 percent of the target of Rs. 12.9 million and 64.07 percent higher than the production of Rs. 10.3 million in August, 1980.

Cumulatively, the production during the first five months of the current year has been of Rs. 78.1 million, 115.7 percent of the target of Rs. 67.5 million and 49.6 percent higher than the production of Rs. 52.2 million in the corresponding period last year.

(Contd. on page 11)

Development of Oil Resources in India

The history of discovery of oil in India, dates back to the nineteenth century when wells were drilled in Upper Assam at Makum, Margherita and Jeypur between 1866 and 1869 and oil was struck at a depth of 36 metres in the first well at Makum. But, these ventures did not prove to be commercial.

The Assam Railway and Trading Company started drilling in 1889 at Digboi and oil in commercial quantities was discovered. The Assam Oil Company was then formed. In 1925 the Burma Oil Company entered the picture. Exploration efforts continued intermittently till 1953, when Naharkatia and subsequently Moran oil fields in Assam were discovered. Oil India, a joint company with Government of India and Burma Oil Company as shareholders was set up in 1959 to pursue exploration work in Upper Assam. This company is being taken over wholly by Government of India.

In the initial years, geological and geophysical surveys were undertaken exclusively, so as to locate prospective sites where wells could be drilled and tested for occurrence of oil or gas. The first well drilled was at Jawlamukhi where gas was struck in May 1958 in small quantities. In the same year, oil was struck in Cambay. This was followed by discovery of oil in Ankleshwar (1960), Kalol (1961), Lakwa (1964) and Geleki (1968) in Assam and several other fields since then.

The Oil and Natural Gas Commission (ONGC) was set up in 1956 as the pioneering national agency in the field of oil exploration and development. At that time, except for some exploration efforts in progress in West Bengal under an Indo-Stanvac project and a

degree of exploration for hydrocarbons in the north eastern corner of Assam by Assam Oil Company, the entire country was practically a virgin land so far as prospecting for hydrocarbons was concerned.

The first well was spudded in 1957 at Jawalamukhi. Gas was struck in this well in May 1958, but not in commercial quantities. The next wells were drilled in Cambay (Gujarat) and Disangmukh (Assam). At Cambay, oil was struck in September 1958. Assam and Gujarat became the first two States to yield commercial hydrocarbons, and even today all the on-land fields lie in these two States except for a small field in Nagaland, which went into production recently. Now the onshore fields in the country produce 8.5 million tonnes of crude oil annually.

In the last few years, the offshore has come into the forefront. The Bombay High field where oil was discovered in February 1974, today yields crude at the rate of 8 million tonnes per year. Recently, oil has been struck at a new structure, 30 kilometres east of Bombay High.

Since its inception up to July 1981, the ONGC have discovered oil in the onshore area at 39 places in Gujarat, eight places in Assam and one in Nagaland. For oil exploration, 28 seismic parties are deployed in onland areas at present, out of which 8 parties, are employed in Gujarat, 3 in the Cauvery basin, 4 in the Krishna-Godavari basin, 1 in Rajasthan, 1 in U.P., 2 in Bihar, 4 in West Bengal, 1 in Tripura and 4 in Assam. The ONGC are planning to increase the number of parties to 30 and also modernise the equipment of a number of seismic parties for the coming field season. Apart from this, a contract has already been entered into with the

CGG of France to conduct seismic surveys in the Jammu and Himachal foot-hills. Also a Russian crew will conduct seismic surveys in the Tripura Hills and deltaic West Bengal alongwith an Indian Team. The following is the area-wise exploration work undertaken or to be undertaken by the Commission :—

Gujarat : So far exploration has been confined to relatively shallow depths in the Combay basin. The plan now is to take up deeper prospects also. The discovery of gas at Dahej at deeper levels has opened up a new vista. Northern part of Gujarat also holds promise.

Assam and other North Eastern States : Exploratory drilling is being mostly carried out in Brahamaputra valley and Tripura and more will be done. Some drilling has also been carried out in Cachar, Meghalaya and Nagaland and more are planned. It is also intended to go into new areas like Dhansri valley, Naga thrust zone and some of the folded anticlines of Tripura. In Mizoram and Arunachal Pradesh, geological mapping will continue.

West Bengal : Some wells are now under drilling in the State. In the Sunderbans area, seismic survey work using a shallow draft barge has recently been completed and the data is under processing.

Tamil Nadu : There has been no worthwhile find so far though several wells were drilled. In the new strategy search is being carried on by seismic parties for structures in older rocks of Mesozoic age.

Rajasthan : Wells have been drilled in the desert of Jaisalmer, but except for a small gas find at shallow depths, the wells were dry. Now seismic parties will map structures at deeper

levels and drilling will be resumed in due course.

North Western Himalayan Foothills : This area falling in Jammu and Kashmir, Himachal Pradesh and Uttar Pradesh has a complex geology. Simpler seismic methods of delineating structures at deep depths of 5,000 to 6,000 metres have not given precise results. A special telemetric survey will be taken up soon in an endeavour to locate new prospects for drilling.

Ganga Valley : In the plains of Uttar Pradesh and North Bihar, wells drilled so far have been dry. However, some interesting geological leads have been found and these are being followed up by seismic surveys in the first instance.

Offshore Exploration : Offshore oil field is a recent addition in this country. Bombay High Offshore filed went into commercial production in May 1976 with an initial production of 4,000 barrels per day. Today, it produces over 7.5 million tonnes (150,000 barrels) a year. Oil production from Bombay High will be stepped up significantly in the next few years. By 1983-84, with the all-out efforts now being made, the annual production will be between 22 and 23 million tonnes.

Besides the Bombay High and Satellite structures, offshore exploration is being carried out in the Andamans and Pondicherry Offshore areas and Palk Strait. Seismic surveys have been carried out in the entire continental shelf and are being extended to continental slope areas also. Exploration is planned in the offshore Krishna-Godavari basin, offshore Cauvery basin, Offshore Andamans, Offshore Kutch and Offshore Saurashtra structures. Exploration in the shallow water area of West Bengal is also planned within the Plan period.

Seismic surveys have just been concluded and data is under processing.

Oil India Limited (OIL) is continuing its exploration and drilling operations in its mining lease areas in Assam and Arunachal Pradesh. In the Mahanadi Delta area, seismic work is expected to commence in the last quarter of 1981.

Crude Oil Production: From 8.4 million tonnes only in 1975-76 the estimated crude oil production went to a potential of 13 million tonnes in 1980-81. As on today, the indigenous productions of crude oil from onshore and offshore is estimated at the rate of 16 million tonnes per year. Taking into consideration the known commercial fields, which are either in the process of development or can be developed fast, it is estimated that in five years, the indigenous production would be nearly 30 million tonnes per year. This means that there will be an increase of around hundred percent in production during the five year period from 1980-81 to 1985-86.

According to a official study made by an expert group in June 1980, the total demand for petroleum products in 1985-86 could be 49 million tonnes or say 53 million tonnes of crude oil equivalent. This postulates for an increase in demand by 58 percent in the five years (between 1980-81 and 1985-86), against 31 percent in the five years (between 1975-76 and 1980-81) and 24 percent in the five years (between 1970-71 and 1975-76). To meet this demand serious efforts will have to be made. There will have to be a greater growth in other forms of commercial energy such as coal, hydro and thermal powers etc., to meet the demands on the energy front. If a 6 percent annual growth rate in demand of petroleum products,

is taken there will still be a figure of 4.39 million tonnes in 1985-86. This will mean indigenous production could meet about two-third of the demand for petroleum products.

Demand will continue to grow after 1985-86. Here then is the imperative need to discover more oil fields. During the Sixth Plan, so far as on-shore areas are concerned, exploration work is to be intensified in Assam-Arakan, Krishna-Godavari and Cauvery basins. The pace of exploration in Cambay Basin will be maintained. Exploration in West Bengal, Ganga Valley, Himalayan foot-hills, Rajasthan, Orissa Coast and other areas is proposed to be suitably stepped up. Some of the promising areas, like shoals and estuaries, which could not be taken up hitherto, due to logistic problems, will also be explored by engaging, wherever necessary, specialised contracting agencies. The total exploratory drilling envisaged by the ONGC and OIL in the onland basins is of the order of 300 wells comprising 882,700 metres.

In respect of off-shore, Oil India is expected to continue their exploratory programme in the Mahanadi Delta area, ONGC will continue exploration in Bombay Offshore Basin, extending the limits to deeper waters. They also propose to explore the structures off-shore Saurashtra in Gulf of Kutch, Andaman and Nicobar Shelf as well as the East Coast Basins, like Palk Bay and Krishna-Godavari Basins. ONGC plan to increase the number of off-shore rigs deployed so as to drill about 95 exploratory wells in different off-shore areas during the plan period.

Besides the full development of Bombay High Field, development of other structures, namely' R-12,

South Bassein and North Bassein fields, B-37, B-39 structures, would also be carried out during the Plan period.

Natural Gas is as valuable as crude oil as an energy source. Gujarat is one state owing a part of its prosperity to the use of natural gas, currently being produced either as a by-product from oil, or from gas fields at around 2 million cubic meters per day. In the offshore, ONGC has discovered some major gas fields which between them can sustain a production of 25 million cubic metres per day, say, for 25 to 30 years. Associate gas from the Bombay High field is already being used as a feedstock by a unit of the Trombay Fertilizer Plant. The two fertilizer plants being established in Thai Vaishet in Maharashtra and similarly another two being established at Hazira in Gujarat will use gas as feedstock from 1983-84. At Uraon, ONGC is already producing LPG and more quantity will be produced when South Bassein gas flows in. Then there will be petrochemical units based on gas. Bearing in mind the importance of gas, ONGC's exploration efforts are directed towards finding not only oil but also gas.

The foreign exchange, the country has to spend on import of crude oil and petroleum products has been increasing steeply in recent years. From a mere \$ 1.30 per barrel in 1973, the price of crude oil has gone up to \$ 36 per barrel today. This is a 28 fold increase in eight years. It is no surprise, therefore, that the country spent Rs. 56,000 million in 1980-81 on import of crude oil and petroleum products and thus used up nearly 80 percent of its export earnings.

(Contd. from page 8)

Hindustan Paper Corporation Ltd. :
Hindustan Paper Corporation Ltd.
has at present one unit in production,
viz., The Mandya National Paper Mills
Ltd. The production during the month
has been of Rs. 11,305 million and

123.90 percent of the target of Rs.
9.124 million and 249.78 percent higher
than the production of Rs. 3.232
million in August, 1980.

Cumulatively, the production during
the first five months has been of Rs.
33.805 million, 78.82 percent of the

target of Rs. 42.888 million and 110.42
percent higher than the production of
Rs. 16.065 million in the corresponding
period last year.

In physical terms the production during
the month has been of 1,336 tonnes
against production of 367 tonnes in
August, 1980.

Programme of Forthcoming Participations in Trade Fairs/Exhibitions Abroad

- | | |
|--|---------------------|
| 1. Indian Exhibition, Bahrain | February 1-10, 1982 |
| 2. Indian Exhibition, Nairobi, (Kenya) | March 12-21, 1982 |
| 3. Cairo International Fair, Cairo
(Arab Republic of Egypt) | March 13-27, 1982 |
| 4. Indian Exhibition, (Algeria) | May, 1982 |
| 5. Indian Exhibition, Kuala Lumpur
(Malaysia) | November, 1982 |
| 6. Indian Exhibition, London (UK) | November, 1982 |
| 7. Indian Exhibition, Mexico | May, 1983 |
| 8. Hannover International Fair, (FRG) | April, 1984 |
-

Further information can be obtained from the Manager (Exhibitions), Trade Fair
Authority of India, Pargati Maidan, New Delhi-110001.

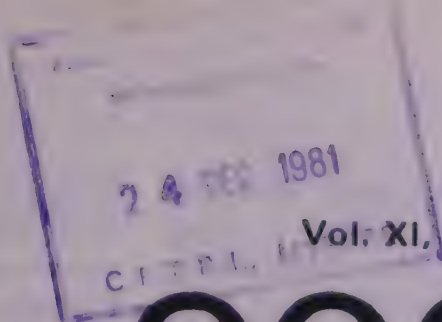
FACILITIES FOR INTERNATIONAL EXHIBITORS AT INDIA INTERNATIONAL TRADE FAIR, 1981

Trade Fair Authority of India (TFAI) has organised India International Trade Fair 1981 (IITF '81) from November 14 to December 4, 1981 at Pragati Maidan, New Delhi. The main objective of the Fair is to promote international trade and encourage new investment in India as well as in third countries. The Fair will project India's allround progress in the fields of industry, agriculture, trade, science and technology.

With a view to making foreign participation meaningful, a number of facilities have been provided to the international exhibitors for expeditious disposal of the exhibits displayed by them. These are listed below :—

- (1) Government of India have issued instructions to all Ministries and public sector undertakings that as far as possible, in regard to their import requirements, they should make their purchase from the goods that are displayed by international exhibitors at the Fair.
- (2) The capital goods requirements have been compiled in the form of booklet which is available with TFAI for reference of those foreign governments and firms who wish to participate in the Fair. This will facilitate the concerned Departments to make their selections and order for their purchases from the exhibit that are displayed at the Fair.
- (3) For expeditious disposal of exhibits that are displayed at the International Fair, Government of India have streamlined customs and licensing procedure as under :—
 - (a) Fair Quota to the maximum of Rs. 5 million in foreign exchange per exhibitor has been earmarked for disposal of the exhibits displayed at the Fair.
 - (b) In respect of capital goods upto a value of Rs. 1 million per item, Chief Controller of Imports and Exports (CCI and E) has simplified the licensing procedure to ensure that such licence are issued on the spot.
 - (c) In respect of items of the value of over Rs. 1 million, special meetings of the Capital Goods Committee (CGC) will be conveyed to ensure that these applications for import licences are disposed of expeditiously.
 - (d) Item falling under Open General Licence (OGL), and Indian importers holding licence for the items of their purchase, will be allowed direct purchase and clearance by the Customs located at Pragati Maidan.
 - (e) Customs and Chief Controller of Imports and Exports offices are located at Pragati Maidan to facilitate expeditious clearance of goods.
 - (f) As an incentive for developing countries to participate in the Fair, following items of consumer goods which are otherwise banned for import into India, have been permitted for disposal by the developing countries participating in the Fair : handicrafts, garments, jute goods, toys other than electronics, cosmetics, house-hold goods other than electrical and electronics, ladies fashion wear, leather goods, glass-wares, dry fruits, and honey.
 - (g) International exhibitors have been allowed duty-free import of publicity and advertising materials for free distribution during the Fair.
 - (h) To make participation more attractive, several other relaxations in regard to customs and licensing regulations have been agreed to by the Government.

65



Vol. XI, No. 47, November 21, 1981, New Delhi, India

economic and commercial news

News Highlights

Indo-Morocco Trade Agreement

India and Morocco have entered into a trade agreement which, inter alia, provides for setting up of a Joint Committee for ensuring formulation of measures to promote commercial relations. The Agreement also provides for a favoured-nation-treatment by each other and the payments for the transactions in freely convertible currency. Both the countries have also agreed to allow the holding of permanent or temporary fairs, exhibition and trade centres. This Agreement will be in force for a period of three years.

Prince Talal Bin Abdul Aziz Visits Pragati Maidan

Prince Talal Bin Abdul Aziz, younger brother of King of Saudi Arabia, visited the India International Trade Fair 1981, currently going on at Pragati Maidan, New Delhi. He was received and taken round the fair ground by Mr. Mohammad Yunus, Chairman, Trade Fair Authority of India. The Prince saw the Village Complex, Energy and Our India Pavilions, Nehru Museum, the Arab

Export Performance and Potential

India International Trade Fair 1981 Attracting Large Crowds

India International Trade Fair, 1981, which is currently going on at Pragati Maidan, New Delhi is drawing large crowds. Besides general visitors, the Fair is attracting a large number of business visitors from abroad. A number of foreign delegations from Indonesia, Saudi Arabia, Vietnam, Abu Dhabi, Tunisia, Mozambique, Laos, Malawi, Thailand, Czechoslovakia, Kenya, Zambia, Morocco, PDRY, Switzerland, Sudan, Pakistan, Cuba, Guyana, Kuwait, U.K., Japan etc. have already visited the fair. This fair is the third in series, the first being Asia '72 and IITF '79. It has been organized by the Trade Fair Authority of India with a view to projecting the industrial image and commercial potential of country's economy and enlightening the foreign participants of its immense import and export prospects.

For the first time, special facilities are being offered to foreign participants to promote the sale of their wares. Among them are import of exhibits in reasonable quantities free of duty for exhibits and display, on-the-spot customs clearance, allotment of fair quota, import and disposal of advertisement and publicity material, goods for retention for official use of the Missions and facilities to meet import requirement of capital goods and raw material, etc. Developing countries have been allowed to dispose of consumer goods and machinery put on display to capital users in India within permissible limits. With regard to their import requirements, all Ministries,

Pavilion and the Pavilion set up by Saudi Arabia. The specially-made audio visual programme in our India Pavilion was greatly appreciated by him.

India's Successful Participation in Energy '81 Exhibition

India's participation in the Energy-81 exhibition which was held in Nairobi recently alongside the UN International Energy Conference, attracted a lot of interest, says a commercial report of the High Commission of India. The exhibits at India Pavilion which generated interest, included solar energy equipment, model of mini hydel sets and a battery-operated van developed by Bharat Heavy Electrical Limited.

Ban on Sugar Export Lifted

The Government of India have since decided to lift the ban on export of sugar. Sugar export will be canalised through the State Trading Corporation of India (STC) under open general licence. It has been estimated that sugarcane production this year will be about 180 million tonnes and sugar yield between 6.5 and 7.0 million tonnes, leaving substantial sugar exportable surplus.

Contents

Export Performance and Potential	
India International Trade Fair 1981	
Attracting Large Crowds	1
Promoting Indo-Pakistan Trade Relations	4
Indo-Norwegian Economic Co-operation	5
New Areas of Indo-German Collaboration	5
Indo-African Cooperation in Training Housing Experts	5
Conductor Industry Urged to Develop Exports	6
Industrial Growth and Diversification	
Uptrend in Mineral Production	6
Growth of Textile Industry Machinery	7
Foodgrains Output Registers Higher Growth	7
Industry Workshop on Terracotta Wares	8
Introducing Electronic Telex Exchange	8
National Institute of Construction and Management	9
Amendment in Industries Development Act Being Considered	9
India's Rural Reconstruction Schemes	10

public sector undertakings and private parties have the facility to make purchases from goods displayed by the international exhibitors.

Pragati Maidan the radiant show window of India's progress is, also offering to the visitors a bonanza of cultural activities of India's rich heritage and culture and those of foreign participants. Fashion shows, ballets, folkdance, art films, musical nights, craft demonstrations are other attractions. Audio-visual shows on 'Symphony of Industry, and 'Testament of Nehru' are screened in Our India pavilion during the Fair.

The Fair was opened on November 14, 1981 at a colourful ceremony. Inaugurating the Fair, the Vice President of India, Mr. M. Hidayatullah said that the Fair could be considered to be the most gigantic attempted so far. Referring to Pragati Maidan, he said that it was an artistic creation of which India could be proud. The ground which initially surged into activity, but slow at first, had now been converted into an area for round-the-year activity due to imaginative planning. He added that over the years, Pragati Maidan had helped built up a concept called a Fair Culture. This culture was not something unknown to the country. In fact, its forefathers had the tradition of buying anything important in the 'melas' and 'hats' (bazaars). 'Melas', 'hats' and events like this Fair provided the right atmosphere and environment for making what otherwise would had been a dull and drab affair of buying. It was now a most interesting experience in humdrum life. The fact that all the world over, there were as many as 2,000 fairs every year, bore

testimony to the realization that something purposeful and worthwhile was being done through them. The transaction of buying and selling in such fairs was the closest approximation to the free play of market forces. The buyer had a large variety of quality products before him to select at a competitive price. The seller had before him a large clientele with sophisticated demands backed by appropriate prices they would be willing to offer for the wares. Trade fairs were thus major instruments of commerce for both exporters and importers in many countries of the world.

The Vice-President continued that apart from this, fairs helped to spread technological information between producing countries. The gap in technology between developed and developing countries had steadily widened in recent years. Protection induced by recession in the West had brought in its wake significant progress in technology in their countries. Lack of resources compelled developing countries to fall behind in this race. At the same time, the specific features of developing countries such as the presence of a large labour force had also compelled some of them adopt appropriate technologies different from the technology that obtained elsewhere. This gap in technology had introduced impediments in the free flow of international trade and improved market access to products of developing countries. International trade fairs such as IITF '81 somewhat bridged this gap and, at least made both parties aware of each other's capability and capacity. Suitable mutual adoption of the technologies was thus made possible.

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this journal.

The Vice-President remarked that the world was becoming more and more inter-dependent. This inter-dependence had given way to free and fair exchange of products on the basis of quality, fair price and fair competition. This new inter-dependence demanded that nations must cultivate good relations and appreciate the capabilities of each other in a spirit of quality and friendship rather than one based on unequal mastership and serfdom. He hoped that the Fair will give the foreign friends a glimpse of the vast strides that India had made in recent years in agriculture and industry, in its technology and scientific talent. At the same time, it will give an opportunity to the Indian entrepreneurs, technicians and scientists to know at their very door-step knowledge of what was going on in the outside world.

Mr. Hidayatullah further said that the theme, selected for the Fair was "energy options for developing countries". This was a topic of international importance and he hoped that there will be a substantial exchange of ideas on these objects.

Concluding the Vice-President said that more than this, he was happy to emphasise the interplay of cultures that would congregate in the coming days at the Pragati Maidan. The Trade Fair Authority had arranged for displays of the vast and variegated culture what was the proud heritage of the country. At the same time, many of the participants were also planning to celebrate their National Days and thus would give a glimpse of their cultures. It was this way, more than commercial exchanges will be made on these grounds, and

they will bring us a little closer. He congratulated the Fair Authority for the ambitious project which brought in a comprehensive manner the material and non-material values of life of a vast group of countries into one single place.

Welcoming the distinguished guests to the inaugural function of India International Trade Fair, 1981, the Union Commerce Minister, Mr. Pranab Mukherjee said that it was India's biggest Fair and third in the series after Asia '72 and the India International Trade Fair '79. The site of the Fair had been aptly named as 'Pragati Maidan' as attempt was made to depict India's heritage and industrial development round the year in certain permanent pavilions. The present shape of Pragati Maidan and expanding activities of the Trade Fair Authority of India owed a lot to the untiring dynamism of its Chairman, Mr. Mohammad Yunus and he liked to take the opportunity to compliment him on the excellent arrangements that had been made. He added that Government viewed Trade Fair Authority as an important nodal point for organising trade fairs and participation in international fair abroad. He had no doubt that the Trade Fair Authority of India would be gearing itself up for shouldering the enhanced responsibilities.

The Minister observed that organisation of trade exhibitions and participation in international trade fairs has become increasingly important instrument of trade promotion in the international arena. Such fairs provided the right environment and atmosphere for buyer-seller contacts, exchange of information and finalisation of business deals. Over 2000 international fairs were held over

the world annually and many countries transacted their substantial import and export business in the course of such fairs. The developing countries, however, were somewhat handicapped, because international trade fairs, by and large, were held in the developed countries. In the current North-South dialogue, the increasing tendency of treating the development needs of the developing countries as an appendage of the development process in the developed world had been increasingly manifesting itself. The need for greater cooperation amongst the developed countries or as was more commonly known, South-South cooperation was never more urgent. The scenario of the international trading environment was extremely uncongenial for the oil importing developing countries. This was illustrated by the fact that percentage of world exports of such countries had declined from 13 percent in 1963 to 10 percent in 1980. During the corresponding period, the industrialised countries had increased their surpluses manifold. Time was thus opportune for renewing and developing cooperative efforts among developing countries. A framework for negotiations would necessarily imply establishment of a global system of preferences, cooperation among state trading organisation, cooperation in the development of transfer of technology, establishment of multinational marketing enterprises and strengthening of economic integration and cooperation. The framework of such a plan had been spelt out in various fora including UNCTAD. A high-level conference on economic cooperation among developing countries was held in Caracas in May 1981. This Conference agreed on mechanism to ensure effective follow-up of various measures already agreed upon to pro-

mote economic cooperation among developing countries. Thus, both at bilateral as well as global, regional and sub-regional levels, developing countries had been trying to intensify and expand economic cooperation amongst themselves. There is a GATT Protocol relating to preferential trading arrangement among developing countries of which India was a member. Efforts at various levels needed to be accelerated to realise the full potential of economic cooperation among developing countries and an encouraging development in recent years had been that trade among developing countries had expanded more rapidly than their trade with developed countries. International fairs of the type that was being inaugurated now constituted a significant factor in the overall strategy of developing closer trading relations amongst developing countries.

The Commerce Minister continued that he was extremely happy to note that as many as forty three countries were taking part in the Fair representing almost all regions of the world. There were also 21 foreign firms who had put up their pavilions. As was only natural for the host country, the display by various Central Government organisations, State Governments/public sector undertakings Export Promotion Councils and many private sector units had taken up a large area displaying their products. Impressive strides made by India in various fields of industrial development were on display at the Fair. The industrial exhibits were the result of a process of planned development initiated by India almost 30 year ago. The experience that she had gained during this process was there for all to see and the country was willing to share this

experience with other developing countries. He added that the displays of the foreign countries would be viewed with great interest so that areas of technology transfer and increased trade could be identified to mutual advantage.

Referring to the theme 'energy options for developing countries, the Minister held that the same was topical and of immediate concern to all. An attempt had been made to present at the fair efforts and achievements made by Indian economy in this direction. In particular, the approach to alternate sources of energy was highlighted. In view of the importance of the subject, this display would be kept on even after the Fair formally closed on December 4, 1981, he added.

Complimenting the Trade Fair Authority for having done its best to provide improved facilities to the various participants, the Minister hoped that this will help in making the participation of the various Indian and foreign firms comfortable and meaningful. He indicated that some innovations had also been made. For the first time, sale of goods across the counter under certain specified conditions had been permitted. Developing country pavilions were allowed to sell consumer goods, import of which was otherwise restricted under country's import policy. This facility was obviously limited to consumer goods costing Rs. 250 and less. Some concessions for sale of capital goods machinery were also available. Special facilities for disposal of publicity material of the foreign participants had also been provided.

Promotion of Indo-Pakistan Trade Relations

Ways and means of increasing and diversifying Indo-Pakistan commercial and economic relations, were discussed recently in New Delhi when Mr. Yousaf Zia, President, Pakistan Chamber of Commerce and Industry called on the Union Minister of Commerce, Steel and Mines, Mr. Pranab Mukherjee. A 22 member delegation led by Mr. Zia was on a visit to India at the invitation of Federation of Indian Chambers of Commerce and Industry.

The visit of the delegation coincided with the inauguration of the India International Trade Fair 1981, where Pakistan is participating in a big way. The Commerce Minister said that IITF '81 gave a comprehensive picture of India's economic development and technological capabilities and enquired whether Pakistan delegation could go round the Fair. Mr. Zia said that IITF '81 was very impressive and useful to the visiting Pakistan businessmen and industrialists. He pointed out that the delegation had also gone round several industrial undertakings around Delhi and had intensive discussions with their counterparts for identifying the areas of commercial cooperation.

While there is no trade agreement specifying any special modalities for trade between the two countries, Indo-Pakistan trade continues to be carried out under the existing export-import policies and prescribed procedures. It is hoped that the dialogue between businessmen of the two countries like the present one will help in fostering a better understanding of each other's point of view as well as potential that exists for mutual trade.

India's main exports to Pakistan are iron ore, bidi leaves and engineering items and building materials. India's main imports from Pakistan are cotton, naphtha and rock salt.

Indo-Norwegian Economic Cooperation

Consultations between India and Norway on economic cooperation concluded recently at New Delhi with the signing of an agreement under which Norway will provide to India assistance of the value of N. Kr. 110 million (Rs. 171.9 million) during 1982.

The Agreement was signed between Mr. B.M. Oza, Joint Secretary, Union Department of Economic Affairs and Mr. H. Pedersen, Deputy Director General, Ministry of Foreign Affairs, Oslo, on behalf of their respective governments. The Norwegian delegation has had consultations with various Ministries of the Government of India on Indo-Norwegian economic cooperation,

A salient feature of economic cooperation between the two countries is the advance indication by Norway of availability of a minimum assistance of N. Kr. 110 million annually for the four-year period 1982-85 for various projects and programme assisted by them. The assistance received from Norway is totally by way of grant and would be utilised for implementing programmes in the fields of fisheries, agriculture, health and family welfare, science and technology and women's and child development.

New Area of Indo-German Collaboration

According to the Indo-German Chamber of Commerce, Bombay, a number of new industries with scope for intensified bilateral collaboration have been identified in the third meeting of the Indo-German Commission for Industrial and Economic Cooperation (formerly Ad-hoc Commission). Besides printing machinery, stainless steel wires, high voltage transformers, synthetic wires, agricultural machinery (combine harvester), air pollution control equipment, automotive sector, machine tools, coal sector, off-shore oil exploration, deep-sea fishing, two lists have been compiled by the Indian Government, where foreign technology could be sought by Indian parties.

As the revision of the Indo-German Agreement for the Avoidance of the Double Taxation of Income has been successfully concluded, the change will help to develop Indo-German collaboration in a bigger way. The revised agreement will not only deal with income and corporate taxes, but will also apply to wealth tax. Building sites and assemblies will now be regarded as permanent establishments only if they exist more than 6 months. This change is of considerable importance, since until now, such undertakings were treated as permanent, immediately after their first day in operation. As a result, profits from such an undertaking were subject to 70 percent income tax, plus a surcharge of 7.5 percent of the payable income tax. Tax on dividends in the hand of the German party has been reduced from 25 percent to 15 percent, tax on interest from 77.5 percent to 15 percent in general, and 10 percent

in the case of bank loans. Tax for documents, blueprints, etc., as well as for payments for technical services rendered has been brought down from 40 per cent to 20 percent. The inter-company tax concession in the country of residence is now to be granted in the case of direct participation of more than 10 percent (upto now 25 percent).

Indo-African Co-operation in Training Housing Experts

A group of eight African experts from eight different countries were in Delhi recently for in-plant training in specific fields of building materials and low cost housing. The programme of training in India, was coordinated by the National Buildings Organization (NBO).

In addition to the training to be provided by NBO in low cost housing, building materials at NBO Demonstration Plants at Delhi and Chandigarh, the African experts representing Central African Republic, Gambia, Tanzania, Tunisia, Zaire, Togo, Angola, and Ivory Coast, had training with Delhi Development Authority; National Buildings Construction Corporation; Indian Standards Institute; Structural Engineering Research Centre; Forest Research Institute; Brick and Tile Industry; and Lime Industry.

Earlier, 12 experts from 11 African countries and three officials of United Nations Economic Commission for Africa had an eight week Study tour-cum-Workshop in India to get acquainted and to have a first-hand knowledge of technical development in the field of building material and construction industry in India during

May-June, 1981. The Study tour was sponsored by United Nations Economic Commission for Africa and was a result of agreement signed by Government of India (Ministry of Commerce) and the United Nations (United Nations Trust Fund for African and Social Development).

Conductor Industry Urged to Develop Exports

Mr. N.D. Tiwari, Union Minister for Industry and Labour asked the conductor industry recently at New Delhi to enter into the export field in a big way, as it was more profitable for the country's economy to export conductors with added value rather than exporting the aluminium metal itself. Capacity constraints will automatically go with the availability of more aluminium as a long term perspective. He was inaugurating the general body meeting of the Association of Cable and Conductor Manufacturers.

The Minister further said that the Government had gone by the suggestions of the industry in allowing exports of conductors which had been banned for a long time on account of the shortage of aluminium. The other suggestion of the industry that further capacities need not be 'created' for conductors, had also been kept in view. All the concerned Departments in the Government were doing their best to help the industry in the best possible way.

Mr. Tiwari said that the investment proposed for power development in the Sixth Plan period was of the order of Rs. 126,250 million which was about 72.5 percent of the outlay in the energy sector and 19.76 percent of

the total plan outlay. This high priority in planning for the power sector should be an enough assurance for this industry's future prosperity. The Government had sanctioned a large project for the production of aluminium in Orissa in the public sector with French collaboration, which was being designed to produce 2,18,000 tonnes primary aluminium metal per annum, and to ensure its uninterrupted operation a captive power plant sufficient enough to meet its total requirement was also envisaged. This will provide tremendous scope for the development of this industry several-fold.

The Minister said that the conductor industry's problems of off-take from the State Electricity Boards and other power projects which may be due to paucity of funds, was a temporary phenomenon. The industry should be prepared for such ups and downs and should in fact cooperate with the purchasing authorities as much as possible to resolve the crisis.

Mr. Tiwari said that importance of the conductor industry cannot be over-emphasized. It is commendable that the industry had been able to gear itself up right from the very beginning of the country's power development in a planned manner to meet its entire requirements, and there had been no need to import at any time. The substitution programme from copper to aluminium even in low tension distribution lines had also never lagged behind and now even some of the telephone overhead lines were using aluminium conductors. The test standard had also been maintained to keep the line losses. On the one hand, the industry had been able to develop and manufacture conductors

for the 400 KV overhead lines which present problems of designs and technology. and on the other the entire rural electrification programme was being sustained by the efforts of this industry. The share of the small scale units in this industry was fairly large which was clear from the fact that whereas some 50 units in the large/medium scale had a total capacity of about 140,000 tonnes/annum, the installed capacity in the small scale sector was around 230,000 tonnes/annum.

Industrial Growth and Diversification

Uptrend in Mineral Production

The value of mineral production, excluding minor minerals and atomic minerals, during July, 1981 was Rs. 2,940 million as against Rs. 1,956 million in June, 1981, registering an increase of about 50 percent. It was 82 percent higher in the corresponding month of the previous year mainly because of the increase in the price of petroleum (crude) from July, 1981.

During the first seven months of the year, the total value of mineral production was Rs. 15,490 million, which represented an increase of 27 percent over the value of production (Rs. 12,217 million) in the corresponding period of the previous year.

The production of coal in July, 1981 was 9.3 million tonnes, valued at Rs. 1,099 million and of petroleum crude 1.3 million tonnes, valued at Rs. 1,500 million. Output of coal in July, 1981 was higher than that in either June, 1981 and July, 1980 while that of petroleum crude was lower

compared to June, 1981 but was higher than that in July, 1980. The cumulative figures for both these items, however, recorded higher levels for the first seven months of 1981 vis-a-vis that of 1980.

In the group of metallic minerals, production of gold in July, 1981 (209 kilograms valued at Rs. 16 million) was higher than that in June, 1981. Production of copper ore was 189,000 tonnes, valued at Rs. 31 million, higher than that in June 1981.

Growth of Textile Machinery Industry in India

Significant progress in the manufacture of complete machinery as well as components and accessories in the last few years has been made by the textile machinery in India. The industry produces machines not only for the cotton spinning systems, but also for the other fibre groups like jute, wool, synthetics and man-made fibres and natural silk. The product range of the industry is quite comprehensive and it meets practically every need of the textile industry, covering equipment required for spinning and spinning preparatory, weaving and weaving preparatory, processing and finishing operations, as also electronic testing equipment and controls.

At present, there are about 100 machinery manufacturers in the large and medium scale sectors manufacturing complete textile machinery. Their licensed capacity is placed at Rs. 3,600 million and the installed capacity at Rs. 2,400 million. In addition, there are manufacturers of components and accessories, with a total investment estimated in the range of Rs. 1,000 million to Rs. 1,200 million. Nearly

65 percent of this investment is in the spinning sector, 15 percent in the weaving and processing sectors each and the remaining five percent in the miscellaneous sector.

The industry's total output increased from Rs. 1,580 million in 1979 to Rs. 2,000 million in 1980, registering an increase of 26 percent as against the increase of only 4 percent in the previous year, according to the Textile Machinery Manufacturers' Association. The order book position of the industry is said to be comfortable and the books are reportedly full for the next 18 to 20 months. The modernisation programme of the textile industry has picked up in recent times. In fact, as the textile machinery industry was not able to meet the increased demand, the Government had to liberalise the imports of textile machinery on a selective basis.

India's textile machinery industry has also been making regular exports of machinery as well as components and accessories. These exports, which touched a peak of Rs. 230 million in 1975-76, declined to Rs. 13.5 million in 1979-80. The decline was mainly on account of the world-wide recession in textiles. The demand for Indian machinery, however, improved in 1980-81 and exports touched Rs. 180 million. The industry hopes to export machinery worth Rs. 250 million in 1981-82 and gradually increase it to Rs. 400 million by 1984-85. The need to establish a strong export base is particularly essential for this industry to avoid effect of any wide fluctuations in the domestic textile industry. The Committee constituted by the Textile Machinery Manufacturers' Association to examine the export scenario for the industry has recommended

new strategy to effect a break-through in the export market and increase the industry's export earnings from Rs. 180 million at present to Rs. 400 million by 1985. The principal elements of this strategy are : (a) manufacturers who accept export as an essential obligation should set apart a certain percentage of their production for exports; (b) where feasible, 100 percent export-oriented units should be set up; (c) warehouse-cum-spare-parts depots should be established in different parts of the world where the industry has the maximum export potential and (d) Indian entrepreneurs should be encouraged to take up joint textile mill projects in third countries so that Indian capital equipment could be exported against Indian equity participation.

Foodgrains Output Register Higher growth

India produced 129.87 million tonnes of foodgrains in 1980-81. This marks an increase of 18.4 percent over the previous year's production of 109.70 million tonnes.

The final estimates of the output for 1980-81 put the wheat yield at 36.46 million tonnes. This exceeds by almost half a million tonnes the earlier estimates of 36 million tonnes. In 1978-79 the production level was 35.5 million tonnes. In 1979-80 the latest revised estimates place wheat production at 31.83 million tonnes.

The final estimates for rice records a production of 53.2 million tonnes, higher by as much as 25.8 percent over the previous years output of 42.33 million tonnes at 29.01 million.

The production of coarse cereals in 1980-81 was higher than the last year's

output of 26.97 million tonnes by 7.6 percent.

The output of pulses in 1980-81 has been reported at 11.17 million tonnes marking a rise of 30.3 percent over the previous year's production of 8.57 million tonnes.

Industry Workshop on Terracotta Ware

An Industry Workshop is to be organised in Small Industries Service Institute, New Delhi next month in order to extend technological back-up to the manufacturers of terracotta wares located both in urban and rural areas. This will give boost to the potters in the application of appropriate technology for making products having margin of profit.

About 100 delegates including manufacturers, suppliers of raw materials and machinery/equipment, scientists, technologists, officials and non-officials from Delhi and Haryana would be attending the deliberations.

A number of technical papers would be presented by the scientists, technologists, manufacturers, professionals of the country covering from raw materials and processing, manufacturing process, drying, finishing, decoration and glazing, firing, marketing and industrial relation; who would assist the potters to new process of manufacture during the Industry Workshop.

Dr. T.N. Sharma of Khurja and Mr. Gurcharan Singh of Delhi Blue Art Pottery, the renowned and oldest potters of Northern India, would be assisting

the potters to adopt new process of manufacture during the Industry Workshop. It has been envisaged to give practical demonstration in the process of manufacture to coincide with the Exhibition of Terracotta Wares right from the conventional to the sophisticated types manufacture by rural as well as units of repute.

In order to improve the economic condition of the weaker and vulnerable strata of the society by supplementing their income, Government of India in the year 1961 had invited William Mosche, a renowned German Master Potter to train the potters, mostly settled in rural areas, in the technological improvement in its process of manufacture. The thread left by William Mosche was picked up by Khadi and Village Industries Commission which is doing meaningful work.

The office of the Development Commissioner, Small Scale Industries, the official agency of Government of India, responsible for the development of Small Scale Industries, is not lagging behind in helping the rural potters. It is setting up a Process-cum-Product Development Centre for Roofing Tiles and Terracotta Wares in Kerala State where a sizeable number of industries exist. In addition, training in pottery trade has been started in a number of Small Industries Service Institutes.

In and around Delhi, there are a number of pockets of potters' village, namely, Bindapur, Okhla, Yusufsarai, Munirka, Chirag Delhi, Paharganj, Sarai Rohilla, Subzimandi, Nangloi etc. besides huge concentration in the State of Haryana. With the hope of giving boost to the potters in the

application of appropriate technology for making products having comfortable margin of profit at low investment, an Industry Workshop on Red Clay Pottery is being organised-

Introducing Electronic Telex Exchanges

The Posts and Telegraphs (P and T) Department is restructuring completely the telex network in the country with electronic technology. This will facilitate quicker and reliable transmission of telex messages.

The Department has already taken action to install four large telex exchanges with a total capacity of 16,200 lines in the four metropolitan cities. The first electronic telex exchange in the country is expected to be commissioned in Bombay in 1982. This will be followed by further installations at Delhi, Calcutta and Madras in 1983. The Department hopes to extend the facility of electronic telex exchanges at several other centres in the country and plans in this respect are under examination.

These electronic telex exchanges will have the facility not only for local telex connections but also for transmitting the long distance telex calls. Together, with the introduction of electronic teleprinters, there will be a major improvement in the quality of telex services in the country.

In addition to the installation of telex exchanges in the four metropolitan cities, the Department has prepared a Plan to provide six more medium electronic telex exchanges with a large number of smaller exchanges or concentrators.

As for indigenous production of electronic teleprinters, the Government has already initiated action to set up a factory at Hosur in Tamil Nadu.

National Institute of Construction and Maintenance Management

Mr. Bhishma Narain Singh, Union Minister of Works and Housing, has expressed the hope that a National Institute of Construction and Maintenance Management would be established in the country to ensure that the vast investments being made in building assets were put to efficient and economical use. Such an institute, he felt, was indispensable for training large number of engineers and technicians engaged in public works not only in the Central Public Works Department (CPWD) but also in other State and Central departments, public sector undertakings and technical organizations.

The Minister, who was inaugurating a refresher course on construction management organized by the Training Wing of the CPWD in New Delhi recently, stressed the need for application of modern techniques of management to public works so that the projects were completed within specified time, the cost was kept at the minimum and the quality was ensured.

The Minister said that the CPWD was currently executing construction and maintenance works to the tune of nearly Rs. 2,500 million. Works of such a large magnitude, he said, could be efficiently handled only if modern practices were adopted by engineers at all levels with sound technical

knowledge, dedication and integrity. Their training, he added, should not only aim at this but also at self-sufficiency in this specialised age.

The refresher course was attended by engineers and architects of the CPWD from all over the country to guided by experts from various organizations such as National Productivity Council, Indian Institute of Public Administration, University of Delhi's Management Faculty and senior construction engineers.

Amendments in Industries Development Act Being Considered

The Union Minister of Industry and Labour, Mr. Narayan Datt Tiwari said in New Delhi recently that the Government of India was considering certain amendments in the provisions of the Industries (Development and Regulation) Act, 1951 to increase its developmental bias as some shortcomings have been observed in its provisions over a period of years. Mr. Tiwari was addressing the first meeting of the reconstituted Central Advisory Council of Industry.

The Minister told the Council that the industrial growth during 1981-82 could be round about 10 percent against the forecast of 8 percent made by the planning Commission and in the Economic Survey. Mr. Tiwari said that there were many positive features which gave hope and confidence that in the coming years, the industrial sector will continue to perform at a high level. For example, a new class of entrepreneurs had emerged, who do not belong to the MRTP houses. A number of state organisations have also developed to

serve as investment catalysts. The policy measures designed to secure industrial dispersal are proving effective and, as a result, industrial activity is increasing in backward areas.

The performance of essential infrastructure facilities like coal, power, railways and steel, has been encouraging in the past months and there is very hope that this trend will continue. The new Industrial Policy has helped in removing many of the constraints in the optimum utilisation of existing capacities. Similarly, the provision for automatic growth of capacity in several industries has had a beneficial impact.

The promotion of investments in backward areas continues to be an important policy objective. Final touches are being given to a scheme based on the Sivaraman Committee report designed to encourage investment in backward areas, particularly in those fields of manufacture which have maximum spread effect. The scheme also proposes to fix a starting point for industrial growth so that the spin-off not only brings about a large measure of supportive industrial activity in the small scale sectors, but also new industrial investment through an extensive nucleus plant programme, aiming to promote the largest spread effect of industrial development in the country.

It is also expected that in many backward areas, the industrial areas or townships would be established with an entire gamut of social and industrial infrastructure. Task Forces, comprising representatives of the Central and State Governments, have already completed initial assessment of 10 out of 103 backward districts and action

on the ground has also started in some areas. It is hoped that this scheme would be found to be attractive by entrepreneurs and this would lead to further dispersal of production centres, Mr. Tiwari added.

The minister further said that one important feature of the industrial policy was the generation of industrialisation with highest benefits going to widest areas and largest number of people. In this direction new and existing industrialists had to participate in ancillarisation as a movement in the country. This alone will help industrialisation take off in industrially backward areas.

The small scale sector in India today has approximately half a million registered units. It plays a very important role in generating employment. The Government continued with the policy of promotion small scale industries.

Referring to certain representations regarding export earnings, the Minister said that after careful consideration, export obligations are now being imposed with greater discernment than before. Members would also be aware of the special procedures for 100 per cent export-oriented industries, he added. The Board created for this purpose clears proposals at one place and at one time. There is also the facility of drawing raw materials from bond. A tax holiday has also been announced for units in the Free Trade Zones. In fact, the concessions now available in the Free Trade Zones are comparable with concessions available in similar Free Trade Zones in other parts of the world.

There has also been a reasonable liberalisation of transfer of appro-

priate technology from foreign companies and, in suitable case, the Government is even allowing foreign equity participation. On the other hand, the Government has to ensure the rapid absorption of technology and build-up of indigenous organisations for the continuous improvement of imported technology so that the country attain the greatest measure of self-reliance. With our large reservoir of highly trained technical manpower, India should, in fact, become exporters of technology and equal partners with developed countries in industrial ventures in the third world, Mr. Tiwari added.

India's Rural Reconstruction Schemes

Three major schemes have been sponsored by the Government of India for development of rural areas. These are: the integrated rural development programme; the national rural employment programme and the drought-prone area programme.

Development of rural areas has been one of the significant features of successive Five Year Plans. This started with the Community Development Programme in the early 1950s. This programme helped to establish a network of basic extension and development services in the villages. Later on, programmes specifically designed for the development of small and marginal farmers and the landless and agricultural labourers were taken up in the early 1970s.

A special programme for the development of drought-prone areas (DPAP) was introduced in mid 1970s followed by a programme of development of desert areas. A programme of food-

for-work was launched in 1977 to provide opportunities of work for the rural poor particularly in periods of slack employment, at the same time creating durable community assets. This programme was re-named as the National Rural Employment Programme in July, 1980.

Integrated Rural Development Programme : The concept of an integrated rural development (IRD) programme was first proposed and started in 1976-77. This programme is intended to assist the rural population to derive economic benefits from the developmental assets created in each area. This scheme is also designed to increase the income of rural families. The programme was introduced on an expanded scale in 1978-79 in 2,300 blocks. The programme is designed to assist at least 600 families on an average in every block every year. In 1979-80, 300 more blocks were added to the programme. Five million families had been identified under the programme for assistance as on March 31, 1983. Of these, 2 million families have already been given assistance in some form. It is proposed to cover 15 million families all over the country during the Sixth Plan period. The allocation per block is Rs. 3.5 million and this is shared equally between the Centre and the State Governments. In addition to this, bank finance is mobilised for investment under the (IRD) programme.

The Sixth Plan outlay for the integrated rural development programme is Rs. 15,000 million and the anticipated credit requirements are approximately Rs. 30,000 million. The programme is implemented at the district level by rural development agencies. Special

priority is given to scheduled castes and scheduled tribes families in the matter of providing assistance. The objective is that at least 30 percent of the families assisted under this programmes are drawn from the scheduled castes and scheduled tribes families and resources are also allocated in the same proportion.

The number of beneficiaries under this programme was 0.62 million in 1978-79, 1.472 million in 1979-80 and 2.748 million in 1980-81.

National Rural Employment Programme : The objective of the national rural employment programme earlier known as the 'food-for-work programme' is to provide supplementary employment opportunities to people in rural areas particularly during the lean seasons. The emphasis of the programme is on generating additional gainful employment for the jobless and under-employed persons. Originally the objective of the 'food-for-work programme' was to utilise surplus foodgrains stock of the Government for generating additional employment in rural areas. Later on, following the redesignation of the scheme as National Rural Employment Programme, the scheme of assistance was not only in the form of foodgrains but also cash assistance from the Centre, so that the State could undertake productive work of lasting benefits. The Union Budget for 1980-81 provided Rs. 3,400 million for programme which was envisaged to generate 850 to 900 million man-days of additional employment. The aim of this programme is to provide 1000 poor families in each of the 5011

blocks in the country, employment averaging 100 days every year during the Sixth Plan period.

During 1977-78, about 0.13 million tonnes of foodgrains were utilised creating 44.4 million man-days of employment. In 1978-79 about 1.25 million tonnes of foodgrains were utilised creating 355.6 million tonnes of man-days of employment. In 1979-80, 2.3 million tonnes of foodgrains were utilised resulting in 581.7 million man-days of employment. In 1980-81, the amount of foodgrains utilised was 103 million tonnes. The quantum of foodgrains was less following the Government's decision to allocate cash assistance also in part. The amount of employment generated was 254.6 million man-days which does not include the figures of Madhya Pradesh, Maharashtra, Karnataka, Assam, Himachal Pradesh and a few Union Territories.

According to an official estimate, 350 million man-days of employment would be generated every year during the remaining parts of the Sixth Plan. This programme besides creating substantial additional employment in the rural areas during lean periods, more particularly in areas affected by drought in 1979, has made a favourable impact on stabilisation of wages in the rural areas and also help to check the rise in prices of foodgrains.

Drought-prone Area Programme : This programme has been in operation since the Fourth Plan. Initially known as 'Rural Work Programme', the scheme aims at reducing the severity of drought through restoration of

ecological balance in such areas. This programme is also aimed at development and management of irrigation resources, restructuring of cropping pattern and pasture development, live-stock development, soil and moisture conservation, afforestation and development of the weaker sections in these areas. Upto the end of 1979, over 103 million hectares of land had been under moisture conservation measures. Afforestation and pasture development were taken up on 0.5 million hectares and irrigation potential created for 0.272 million hectares. Seventy two thousand milch animals were distributed to individuals. This programme at present covers 74 districts in 13 States.

The number of beneficiaries, that is families who had received assistance from 1975-76 to 1980-81, was 8.244 million, and the employment generated was of the order of 252.5 million mandays.

The major thrust of the Sixth Five Year Plan is on strengthening the socio-economic infrastructure of development in rural areas, alleviating rural poverty and reducing regional disparities. Special sub-plans have been introduced to remove disparities in less endowed or disadvantaged areas like hill and tribal areas. Special fiscal concessions, credit on softer terms and subsidies have been made available to under-developed areas to attract industrial investment.

The per capita annual income in India which was Rs. 227.4 in 1955-56 rose to Rs. 1,237 in 1978-79. It increased further to Rs. 1,378.8 in 1979-80.

24/1/82

Regd. No. D(C) 705

Programme of Forthcoming Participations in Trade Fairs Exhibitions Abroad

-
- | | |
|--|---------------------|
| 1. Indian Exhibition, Bahrain | February 1-10, 1982 |
| 2. Indian Exhibition, Nairobi, (Kenya) | March 12-21, 1982 |
| 3. Cairo International Fair, Cairo
(Arab Republic of Egypt) | March 13-27, 1982 |
| 4. Indian Exhibition, (Algeria) | May, 1982 |
| 5. Indian Exhibition, Kuala Lumpur
(Malaysia) | November, 1982 |
| 6. Indian Exhibition, London (UK) | November, 1982 |
| 7. Indian Exhibition, Mexico | May, 1983 |
| 8. Hannover International Fair, (FRG) | April, 1984 |

Further information can be obtained from the Manager (Exhibitions), Trade Fair
Authority of India, Pragati Maidan, New Delhi-110001.

Programme of Forthcoming National Specialised Commodity Fairs at Pragati Maidan

-
- | | |
|---|----------------------|
| 1. National Handloom and Khadi Fair | December 22-31, 1981 |
| 2. National Woollen Textiles and
Knitwear Fair | December 22-31, 1981 |
| 3. National Garments Fair | January 15-24, 1982 |
| 4. National Carpet, Durees and Coir Fair | February 12-21, 1982 |
| 5. National Furniture and Furnishings Fair | March 8-17, 1982 |

economic and commercial news

Food Science & Technology
Information Service

24 DEC 1981

C.F.T. MY DHE

News Highlights

Prime Minister Visits IITF '81

Mrs. Indira Gandhi, Prime Minister, visited the India International Trade Fair at Pragati Maidan, New Delhi today. She was conducted round the Fair by Mr. Mohammad Yunus, Chairman, Trade Fair Authority of India. During an hour and a half long visit, she went round the pavilions of foreign countries where she evinced keen interest in the exhibits on display. The Prime Minister was received by Ambassadors of participating countries in New Delhi and Directors of the pavilions. Big crowds cheered the Prime Minister all along the route inside Pragati Maidan.

Ugandan President Visits IITF '81

The President of Uganda, Dr. Milton Obote visited the India International Trade Fair 1981 recently. He was accompanied by his wife and a 20-member delegation from Uganda. He was conducted round the Fair by Mr. Mohammad Yunus, Chairman, Trade Fair Authority of India. The visiting dignitary went round Energy, National Small Industries Corporation, Tata and Our India pavilions. He evinced

Export Performance and Potential

Promoting Indo-Moroccan Trade and Economic Relations

India and Morocco signed recently a trade agreement which, inter alia, provides for setting up of a Joint Committee consisting of representatives of both the countries to ensure formulation of measures to promote commercial relations. The Joint Committee will meet in Rabat and New Delhi alternatively. The Agreement was signed by Mr. Pranab Mukherjee, Union Minister of Commerce, Steel and Mines on behalf of India and by Mr. Azzeddine Guessons, Minister of Commerce and Industry and Tourism, on behalf of Morocco.

The Agreement also provides for a Favoured-Nation-Treatment by each other and all payments for the transactions under this Agreement will be made in freely convertible currency. Both the countries have also agreed to allow the holding of permanent or temporary fairs, exhibitions and trade centres. This Agreement will be in force for a period of three years.

In the trade talks between the two Ministers, before the signing of the Agreement, Morocco sought Indian technical know-how for setting up of an integrated steel plant of one million tonnes capacity. It was agreed that an Indian study team would shortly visit Morocco to make a feasibility study on the subject. The visiting dignitary also showed interest in the Indian machinery, particularly for the textile industry, sugar industry and leather industry. Mr. Mukherjee informed him that in respect of consumer goods machinery, India was not only self-sufficient but also possessed a fairly good exportable capacity and assured that India would be able

keen interest in displays at the Fair and particularly impressed by the solar energy and bio-gas plants. He also viewed an audio-visual show on 'Jawaharlal Nehru's Testament'. After seeing the show he remarked that he was highly impressed indeed and added that it was a wonderful show.

STC Concludes Contract with GDR at IITF '81

The State Trading Corporation of India has entered into a contract with M/s. Interpelz of German Democratic Republic for supply of 872,000 pairs of leather shoe uppers valued at Rs. 84.5 million for deliveries during the period from March 1982 to October 1982. The contract was signed recently in New Delhi at the India International Trade Fair 1981 by Mr. A.K. Sen, Group Executive of STC and Mr. E. Schorsch, Deputy Director General, M/s. Interpelz. This is the third major contract negotiated by STC in the year 1981 signifying continuity in economic growth and cooperation between the two countries.

to meet Morocco's requirements in this respect. As regards leather industry, it was mooted that a joint venture could be established between the two countries to their mutual advantage. The Union Minister also offered Indian assistance for geological survey and mapping facilities for finding out the potentials of mineral resources in Morocco. It was felt that the cooperation between the two countries in the above said sectors would also help in balancing the trade between the two countries which presently is largely in Morocco's favour.

At present, the volume of trade between India and Morocco is not much. While India's imports from Morocco consist mainly of rock phosphate and some chemicals and related products, India's exports to Morocco consists of fruits and vegetables, spices, jute goods, manufactures of metals, machinery and transport equipment, cinematographic films, sanitary, plumbing, etc., fixtures and fittings and some other items. In 1980, India had been able to achieve a breakthrough in the export of green tea to Morocco.

India and Morocco are to work jointly in a spirit of friendship to encourage, facilitate and strengthen economic and technical cooperation in conformity with the principle of mutual benefit. An agreement on Economic and Technical Cooperation between the two countries was signed recently in New Delhi by External Affairs Minister, Mr. P.V. Narasimha Rao on behalf of India and by Mr. Azzeddine Guessons, Minister for Commerce, Industry and Tourism on behalf of Morocco.

The agreement will be valid for a period of five years and extended from year to year by tacit agreement. The two countries will work for the joint realisation of projects of technical and economic nature through cooperation among their concerned organisations, institutions or enterprises on the basis of special arrangements

These institutions and enterprises will collaborate in joint pre-investment surveys in social, mining, agricultural, tourist, industrial, energy, petrochemicals, fertilisers, chemicals, pharmaceuticals, transport and communications sector or any other branches of activity where such cooperation may be mutually beneficial.

The agreement provides for technical and professional personnel, and also for the deputation of exports and consultants for short and long-term assignments.

Both the countries have agreed that any technical documentation or information supplied by the bodies of one of the contracting parties to the other party will not be communicated to the third party without the written agreement of the concerned contracting party.

The agreement also provides that the two contracting parties will hold bilateral consultations as and when necessary, for ensuring implementation of the present agreement. The consultations will be for the purpose of ensuring coordination, examining new programmes and to resolve any problem that may arise following implementation of the agreement.

IITF '81-A Big Draw

Providing glimpses of significant strides made by India and foreign participants

Contents

Export Performance and Potential	
Promoting Indo-Moroccan Trade and Economic Relations	1
IITF '81-A Big Draw	2
Indo-Nepal Industrial Tie-up	3
Boosting Economic Cooperation between India and Bulgaria	4
Palace-on-Wheels for Tourism Promotion	4
Sustained Growth in Leather Exports Urged	5
India to Host World Tourism Meet	5
Industrial Growth and Diversification	
Further Momentum in Indian Economy	6
ECIL's Turbine Monitoring Equipment	6
CMC Poised for One-point Support to Computer Industry	7
Progressive Growth of Telecommunications	7
Tourist Village Complex in Each State	7
SAIL's Technical Information Flow to Industry	8
Selective Import of Foreign Technology	9
Air-India Service from Amritsar to UK	9
Science and Technology	
Research and Development in ITI	9
Two New Seismological Observations Commissioned	10
India's Second SEO Bhaskara-II Goes into Orbit	11

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this journal.

in diverse industrial and technological fields as also fascinating inter-play of different cultures, India International Trade Fair 1981 is proving a big draw. It has been attracting large crowds from all walks of life. Even halfway through, the Fair has drawn nearly two million visitors.

Besides the general public, foreign delegations from different countries, namely, Vietnam, Laos, Mozambique, Tunisia, Thailand, Czechoslovakia, Morocco, Kenya, Zambia, Switzerland, Pakistan, Cuba, Kuwait, Guyana, Malawi, Sudan, PDRY, Nigeria, UK, Japan, Malagasy, Ghana, Italy, Finland, Bangladesh, Nepal, Bhutan and Zimbabwe have already visited the Fair.

The foreign dignitaries who have visited the Fair include Dr. Milton Obote, President of Uganda; Prince Talal Bin Abdul Aziz, younger brother of King of Saudi Arabia; Minister of Trade of Indonesia, Minister of Commerce of Morocco, Minister of Power and Communications of Zambia, Minister of Commerce and Transport of Libya, Minister of Trade and Supply of People's Democratic Republic of Yemen (PDRY), Deputy Minister of Trade of PDRY, Deputy Minister of Foreign Trade of Vietnam and Assistant Minister of Commerce of Kenya.

A large number of Indian dignitaries have also visited the fair which include several State Governors, Union Cabinet Ministers and State Chief Ministers. The Members of the Consultative Committee of Parliament attached to the Union Ministry of Energy also visited the Energy Pavilion during the period.

A number of business deals have reportedly been generated at the Fair. These include supply of 872,000 pairs of leather shoe uppers valued at Rs. 84.5 million under a contract concluded between the State Trading Corporation of India and M/s. Interpelz of German Democratic Republic; supply of paints under four pacts signed by Indian companies with the Soviet Union; supply of wire ropes to the Soviet Union under another contract; supply of scrapper conveyors and crushers under an agreement signed by State-owned Mining and Allied Machinery Corporation of India with the Soviet organisation, Metallurg Import; and supply of Indian fabrics by State Trading Corporation of India under an agreement signed with TEXTIMPEX of Vietnam. More business deals are in the pipeline.

The theme pavilion, "Energy Options for Developing Countries", which is a major source of attraction, depicts the national efforts for meeting the energy needs of the present and future. It covers all conventional sources of energy such as coal, petroleum, hydel, thermal, atomic as also renewable and alternative sources of energy.

The pavilions set up by various foreign countries participating in the Fair, have been attracting a continuous stream of visitors daily. The pavilions in the national sector are also a source of big attraction to the visitors. The lime-light in the exhibition is stolen by the regular transmission of colour TV programmes every evening projecting India's capability for colour television transmission.

An interesting feature of the exhibition is a model rocket zooming skywards

with a tape-recorded sound of the first Indian rocket launching. Placing of the APPLE satellite in the orbit with the help of the rocket with a psychedelic sky effect creates immense interest in the visitors to a giant pavilion designed on the pattern of APPLE satellite.

Another highlight is the organisation of a number of seminars during the Fair. So far four seminars, viz., 'Investment Opportunities in India' by the Indian Investment Centre; 'Project Technology and Engineering Exports—Prospects and Problems' by Engineering Export Promotion Council; 'India's Trade and Economic Cooperation with Developing Countries' by Indian Institute of Foreign Trade and 'Energy Options for Developing Countries' by the Department of Science and Technology have been successfully organised at the Fair grounds.

Visitors to the Fair are also treated to a feast of cultural programmes covering a variety of interesting performances of music, dance, drama, art and documentary films shows.

Indo-Nepal Industrial Tie-Up

A match splint factory set up under a tripartite agreement between the Forest Department of the Government of Nepal, Wimco Limited, Bombay and Paschim Nepal Kashta Udyog Limited, was recently inaugurated by the Nepalese Minister for Defence and Industry, Mr. Balaram Ghatri Magar at Dhangarhi, South West Nepal. The technical assistance for setting up of the unit on turnkey basis, supply of machinery on lease/hire purchase basis and free technical knowhow for manufacture of splints were provided by Wimco Limited. All match splints (30,000

million splints annually) produced in this factory are to be exported to India.

Speaking on the occasion, the Nepalese Minister lauded India's cooperation and assistance for the development of Nepal in various sectors. He particularly noted with appreciation the Indo-Nepal joint ventures both in public as well as private sectors.

The Indian Ambassador, Mr. N.P. Jain, expressed his hope that the project would contribute to the industrial development of Nepal. He also felt that the factory which was hundred percent export oriented, would contribute to improving Nepal's balance of trade with India.

Boosting Economic Cooperation between India and Bulgaria

In a joint Indo-Bulgarian Declaration signed recently in Sofia by the Prime Minister of India, Mrs. Indira Gandhi and the President of the People's Republic of Bulgaria Mr. Todor Zhivkov, both the leaders have confirmed their mutual desire to make still greater efforts for the enrichment and deepening of their friendship and cooperation.

The joint communique states that the two countries attach great importance to meetings at the Summit level that not only impart a new dynamism to bilateral relations but contribute to strengthening peace and international cooperation. The two sides express their readiness to continue this bilateral dialogue also at other levels, in the economic, social, cultural and scientific fields. The two sides recognise the positive results of the bilateral agreements already existing between them.

Further, the two sides have expressed satisfaction over the mutually beneficial

growth of bilateral, commercial and economic relations and in this context, recognise the fruitful contribution of the Indo-Bulgarian Joint Commission. The two sides have indicated their resolve to further expand this cooperation corresponding to all possibilities offered by the economic, scientific and technological potentials of the two countries on the basis of planning and long-term stability, diversification and balanced growth. The two sides have emphasised the need for efficient measures in order to develop new and more modern forms of industrial cooperation, including in third markets. They have agreed that the forthcoming sixth session of the Indo-Bulgarian Joint Commission should closely examine the possibility of increasing the range and volume of commercial and economic cooperation on the basis of these principles, and delinate concrete projects of cooperation, especially in sectors where the two sides possess technical and industrial capability. They are convinced that the Memorandum, signed during the visit of the Bulgarian Government delegation to India in July, 1980, will contribute substantially to the achievement of these objectives.

The communique says that the Republic of India and the People's Republic of Bulgaria attach great importance to scientific and technical cooperation and are determined to develop this further, including through direct contact between specialised institutes and organisations of the two countries with a view to facilitating joint research in mutually agreed fields. They have shown their readiness to promote two-way transfer of technology.

The two sides have declared that economic justice for the developing

countries is a major international problem and express themselves in favour of making efforts towards implementation of the new international development strategy for the third development decade, adopted by the General Assembly of the United Nations. They feel that this would be a major step towards the restructuring of international economic relations on a just and democratic basis.

Palace-on-Wheels for Tourism Promotion

The special train, "Palace-on-Wheels" will be introduced on promotional basis from January 1 next year so as to coincide with the peak tourist season in the country. Regular commercial package tours will, however, start from August 15, 1982. This is in view of the lead time required for booking long-haul tourist traffic from abroad and for completing the air-conditioning of the train so essential for its operation in the summer season.

The progress of the Palace-on-Wheels special train was reviewed recently at Ajmer when the Chairman, Railway Board, Mr. M. S. Gujral and the Member Mechanical, Mr. B.B. Lal held meetings with senior officers of the project. Mr. Gujral felt that the progress in completing this unique facility of a hotel on wheels for augmenting tourist traffic to India and for providing access to various places of historical and tourist importance was quite satisfactory.

The Palace-on-Wheels is being launched in close cooperation with the Rajasthan Tourist Development Corporation. Railways are receiving the fullest cooperation from the Ministry of Tourism also. The train will be

run on the concept of travel by night and sight-seeing by day.

A trial run was arranged last month when the delegates attending the Conference of Top Railway Executives of Asia and the Middle East (TREAME) at New Delhi were taken to Jaipur and Agra so as to elicit their professional and technical advice. The delegates expressed their profound admiration for the launching of this bold commercial enterprise for tourism promotion which is unique to the world railways.

Railways would consider developing similar tourist packages for other States in the country in the light of experience gained after running the Palace-on-Wheels in Rajasthan.

Sustained Growth in Leather Exports Urged

Mr. Pranab Mukherjee, Union Minister of Commerce, Steel and Mines, said in New Delhi recently that a small working group comprising representatives of the Department of Industrial Development, Department of Commerce, Ministry of Finance, Reserve Bank of India, Industrial Development Bank of India and Export Credit and Guarantee Corporation, could be set up immediately to work out a package of financial assistance needed by the leather industry so as to enable it to tide over the difficulties being faced in the backdrop of severe recession in world leather market. He was addressing an All-India Conference on Leather Industry convened by the Union Ministry of Industry.

Mr. Mukherjee said that broadly speaking, the basic objective of India's export policy was to convert raw hides

and skins as well as semi-processed hides and skins into finished leather and leather products with a view to generating more employment potential and also securing higher foreign exchange realisations. The policy accent of India's exports was on progressive increase in exports of value added items, he added.

The Minister said that, a series of exports promotion measures have been taken by the Union Ministry of Commerce in the recent past to revive exports in the leather sector which lately have suffered set-back due to an unprecedented international recession, resulting in serious crisis for leather industry all over the world. He said that export duty on semifinished leather was scaled down from 25 percent to 10 percent *ad valorem* with effect from January 6, 1981. For the year 1981-82, the incidence of quota cut on export of semifinished leather had been substantially reduced. Cash Compensatory Support to the tune of 5 percent of F. O. B. value of exports of sole leather was provided from January 6, 1981. Pre-shipment credit facility upto 180 days at concessional rate of interest had been extended in respect of leather manufactures with effect from December 1, 1980. The export floor price structure for footwear for the year 1981-82 had been suitably revised. Finished leather and leather manufactures, including footwear, had been included in the list of products, which were eligible for special facilities on the ground of 100 percent exports.

The Minister said that a sustained growth in exports was possible only with a strong and stable domestic industrial base; supported by necessary infrastructural facilities. The overall avail-

ability position in respect of hides and skins had continued to be rather static for quite sometime now. It was very essential to ensure that the domestic availability of hides and skins both in terms of quantity and quality was improved for widening and improving the production base and export efforts in the leather sector. He said that modern infrastructural support in terms of flaying centres and carcass utilisation centres along with effective delivery mechanism would have to be evolved. Keeping in view the quality requirement of end product and also the need to adopt upto-date machines, Mr. Mukherjee said that it was necessary that imports of technology and machineries were permitted whenever necessary. Even though the indigenous production base need to be strengthened in finishing of leather and manufacturing products, imports of critical machinery, at least in the short run, would be inescapable, if Indian products were to compete in the overseas markets. He felt that a systematic periodical review in respect of critical inputs and machinery needed for leather industry should be undertaken by the Ministry of Industry and Directorate General of Technical Development in consultation with the Ministry of Commerce. It was also necessary to ensure increased availability of quality accessories. He added that quality embellishments go a long way in improving the fashion/design appeal of a product.

India to Host World Tourism Meet

The next General Assembly of the World Tourism Organisation (WTO) will be held in India in 1983. The invitation, which was extended by

Mr. A.P. Sharma, Union Minister for Tourism and Civil Aviation, who attended the opening session of the 4th General Assembly in Rome recently, was accepted unanimously on the concluding day.

India was also elected to the Executive Council of the WTO securing the highest number of votes amongst all countries contesting the elections. Earlier India had been elected Vice-President of the General Assembly.

The WTO General Assembly which meets once in two years was held in Rome this year. The Indian delegation was led by the Union Minister for Tourism and Civil Aviation and included the Director General of Tourism, Mr. K.K. Srivastav as Alternate Leader.

WTO, with a membership of 103 countries, is the apex inter-Governmental organisation set up in 1975 for the promotion and development of tourism. WTO is the executing agency for UNDP projects in the field of tourism and also assists member-countries with consultancy services, technical missions as well as in organising workshops and seminars on various aspects of tourism. WTO also compiles statistics and data on world tourism.

Industrial Growth and Diversification

Further Momentum in Indian Economy

Latest performance trends in the vital infrastructure sectors of the economy—power, coal, steel and transport—show that the revival which started in the middle of last year, has gathered further momentum in the first half of

the current financial year (April-September, 1981).

The broad facts of the half-yearly performance in these sectors are that power generation during April-September 1981 at 60480 million units was higher by 14.3 percent, as compared to the corresponding period in 1980. In the coal sector, the production in April-September, 1981, at 55 million tonnes, was higher by 10 percent over the same period last year. Ingot steel production during April-September, 1981 totalled 4.13 million tonnes, an increase of 18.5 percent over the same period in the preceding year. Saleable steel output totalled 3.38 million tonnes, 26 percent more than in the preceding year.

The performance of the Railways in April-September, 1981 shows that revenue earning tonnage at 104 million tonnes was up by 15.8 percent in April-September, 1981 as compared to the same period in the preceding year. The tonnage handled at major ports in April-August, 1981 has totalled 32.43 million tonnes, 5.4 percent more than in the corresponding period last year.

On the agricultural front, the remarkable recovery in 1980-81 has been maintained in 1981-82. It is expected that production in 1981-82 will be higher than the 1980-81 performance which was a noteworthy achievement over the preceding year. In regard to cash crops, e.g. groundnuts and sugarcane, substantially higher production has been achieved this year.

Ratnadeep Floated Out

"Ratnadeep", the second ship built by the Cochin Shipyard was launched recently. The 75,000 DWT bulk

carrier belonging to the Panamax series is the second ship of its type built in the country. The first ship "Rani Padmini" was handed over to the Shipping Corporation of India on July 24, 1981. This ship had performed well throughout her maiden voyage to The United States and back covering nearly 20,000 nautical miles.

Presiding over the float-out ceremony, Mr. Veerendra Patil, Union Minister for Shipping and Transport said that Rs. 550 million have been sanctioned for modernisation of Hindustan Shipyard at Vizag.

ECIL's Turbine Monitoring Equipment

Besides its involvement in the nuclear power programme, the Electronics Corporation of India Limited (ECIL) has also entered the field of thermal power plant instrumentation. The turbine supervisory equipment for 200 mega watt turbines developed and produced by ECIL have been installed in 15 thermal plants. Another ten such systems are under manufacture.

The turbine supervisory equipment monitors various parameters associated with the turbine. It displays records and logs the parameters and provides timely information on operational behaviour of the turbine. It also serves as an effective tool for ensuring reliable and safe operation.

The parameters that are being measured/monitored by the supervisory equipment are: axial shift of the rotor (thrust bearing wear), differential expansion between rotor and casing, eccentricity of the rotor, speed of the rotor, overall thermal expansion (shell expansion), position measurement of control valve servomotor and speed

gear motor; seal interference, absolute casing and bearing temperatures and differential temperature.

During the operation, a number of turbine components are subjected to severe stresses because of changes in the various parameters of the turbine at different stages of operation, namely, start-up loading, load changes and coasting down. These changes have to be accurately monitored to ensure safe and smooth running of the turbines.

CMC Poised for One-point Support to Computer Industry

Poised for rendering total one-point support and playing pivotal role in the computer industry of India, the Computer Maintenance Corporation (CMC), a Government of India undertaking is promoting the use of computers in the development oriented activities. Its 'INTEGRA' demonstration centre at Hyderabad has already undertaken survey of tribals, preparation of rural land data and setting up of a financial information system for the Government of Andhra Pradesh. 'INTEGRA' is also engaged in the preparation of computerised electoral rolls for the Election Commission of India.

CMC made a net profit of Rs. 4.526 million during 1980-81. Its turnover during the year was Rs. 80.1 million, registering an increase of over 15 percent as compared to the previous year. The net worth of the Corporation registered an increase of over Rs. 28 million and its internal resources increased by nearly Rs. 7 million.

A prestigious project "INTERACT" is being implemented by the Corpora-

tion under the United Nations Interim Fund for Science and Technology Development (UNIFSTD). The project will be of special importance in the areas of national development, namely, railway wagon information system, and power systems. The Corporation is also studying the possibility of establishing national data network 'INDONET' for utilising the skills and expertise available in the country. It will have adequate inter-communication facilities.

Another achievement of the CMS during the year under review was the indigenisation programme in critical areas of computer technology resulting in an import substitution of about Rs. 3 million during 1980-81.

Progressive Growth of Telecommunications

At the time of independence in 1947, India had a rudimentary telecommunication system. A few months after gaining Independence, it was noticed that the country had a total of only 321 telephone exchanges with a capacity of about 100,000 lines, 82,000 working connections served by a total of 426 long distance speech channels. There were only 338 long distance public call offices and 3,324 public telegraph offices.

With the country gaining independence, the National Government gave a high priority to the revitalisation of the economy. Based on demands for telecommunication services and the total availability of investible resources both in money and materials, considerable expansion and development has been made in the field of telecommunications in the country.

The Posts and Telegraphs Department has drawn up a perspective plan for

telecommunication for decade 1980-90, with the main objective of provision of telephone and telex connections practically on demand by the end of decade and to bring the long distance trunk service to a high level of efficiency. Steps have also been proposed to extend the telecommunication service into the interior, particularly the hilly, backward, tribal, rural and remote areas. The Sixth Five Year Plan for telecommunication 1980-85 is basically a segment of this perspective plan and seeks to lay the foundation towards achievement of the objectives for the decade.

The Department has also initiated action to set up new manufacturing capacities for manufacture of switching equipment, underground telephone cables and transmission equipment. The decade 1980-90 will see the introduction of the electronic switching system and digital techniques in Indian telecommunication network. An entry has already been made by the Department in the satellite communication field. The Plan period will see its extension and launching of India's own domestic satellite.

The table given at next page shows the growth in selected components of telecommunication service ;

Tourist Village Complex in Each State

The Government of India has decided to set up a tourist village complex in every State and selected Union Territories.

Sites for such complex are being identified by the Department of Tourism in consultation with the State Governments. So far, places for only two village complexes have been selected—at Shivpuri in Madhya Pradesh and at Buxar in Bihar.

From pre-page	Unit	Position on April, 1948	As on April, 1980
1. Telephone exchanges	No	321	7430
2. Local exchange capacity	Lines	100,000	2.34 million
3. Working connections (DELs)	"	82,000	2.14 million
4. Telephone sets		168,000	2.62 million
5. Long Distance PCOs	No.	338	13830
6. Manual Trunk Board	No.	250	7106
7. Trunk Automatic Exchanges (TAX's)	No.	Nil	18
8. TAX Capacity	No.	Nil	40300
9. STD Routes (Pt. to Pt.)	No.	Nil	137
10. Long Distance Speech Channels	No.	426	59741 **
11. Coaxial Cable System	Route Km.	Nil	16,641
12. Microwave Systems	Route Km.	Nil	16,545
13. Public Telegraph Offices	No.	3324	24,457
14. Telex Exchange	No.	Nil	136
15. Telex Exchange Capacity	No.	Nil	22,015
16. Telex Subscribers Connections	No.	Nil	17,983
17. VFT Channels	No.	450	17,777
18. Teleprinters	No.	615	36,982
			(Estimated)
19. Telegraph messages booked during previous year		27 million	63.3 million
20. Trunk Telephone Calls during previous year	(effective) milliod	4 million	221.5 million
21. Total fixed Assets		Rs. 372.8 million	16.660 million
22. Gross revenue earned during previous year		Rs. 127.8 million	6043.5 million (prov.)
** Break-up of channels			
Coaxial Cable	23352		
Other Cables	5000		
Microwave	12300	Total : 59741	
UHF	1030		
Open wire :	18059		

The tourist village at Shivpuri is proposed to be set up at an estimated cost of Rs. 4 million. For Buxar, the financial implication are being worked out.

The tourist villages are being taken up as Central Department of Tourist projects. But certain components will have to be developed by the respective State Governments.

According to present plans, the area required will be 10-15 acres for providing accommodation, other services and recreational facilities.

The salient features of these complexes will be that these would offer welcome rest stoppage along highways. The drivers and passengers of cars, buses and tourist coaches would be able to get refreshments, toilet facilities, petrol

and service facilities for their vehicles. Inexpensive amenities including boarding and lodging would be made available to different categories. The tourist village stop-over would be at a focal point along the highway to serve as a base for visiting other tourist centres. The tourist village would be a centre propagating regional/local culture, performing and other arts and handicrafts of interest to domestic and foreign tourists.

SAIL's Technical Information Flow to Industry

The Union Minister for Steel and Mines, Mr. Pranab Mukherjee, has called upon the Research and Development Organisation of Steel Authority of India (SAIL) to share their technical information on micro-alloyed steels with engineering experts and consumers. He said it should maintain a flow of information on special engineering properties and the behaviour of micro-alloyed steel under diverse loading conditions as also bring out design handbooks and technical literature to help design engineers. Addressing the concluding session of the seminar on high strength micro-alloyed steels, at New Delhi recently, he said that the availability, of a wider range of steels with desirable engineering properties could improve both the attractiveness of engineering exports in terms of their design and their competitiveness in terms of price.

The Minister urged the consumers to make the fullest use of this information to improve the quality of these products to achieve in full the potential savings.

Mr. Mukherjee pointed out that other desirable properties, offered significant economy in steel usage and this could

enable the existing steel making capacity to go further towards meeting the country's needs and reduce imports. Use of lighter sections which micro alloying makes possible, could improve the the payloads of trucks and wagons, thereby promoting saving of fuel and energy.

Mr. Mukherjee expressed happiness that SAIL itself was taking the lead in the use of these steels and 10,000 tonnes of plates had been supplied for the Bhilai expansion project. He said that it was a happy augury that 90,000 tonnes of micro-alloyed pipes had been supplied for the Mathura Refinery Project. He asked the consumers to remain alive to the possibility of reducing their steel consumption through the use of these steels, thus benefiting both themselves and the nation.

The Minister expressed the hope that SAIL plants, their central marketing organisation and research and development wing, which had worked with Torsteel Foundation to make torsteel a success, would make an equal success with micro-alloyed steels. He was happy to note that over the past ten years, three million tonnes of torsteel had been used in the country, resulting in a steel saving of nearly a million tonnes.

Selective Import of Foreign Technology

Addressing a meeting of the Consultative Committee of Parliament attached to his Ministry at New Delhi recently, Mr. N.D. Tiwari, Union Minister of Industry, has said that the Government of India has been following a very selective policy as regards import of foreign technology. Technology import is not allowed

unless there is identified technology gap. There is also no repetitive import of technology. At the same time, it is essential for production efficiency as well as export competitiveness that the scales of production as also the rating of technology must not be allowed to recede into obsolescence. It will result in maintaining the high cost of structure of the country's economy as also reduce its export competitiveness. A very clear and conscious balance has to be struck. As far as the small scale industries are concerned, the Government is committed to the upgradation of technology of small enterprises and there has been no instance where their request for technology has been turned down.

Mr. Tiwari said that the R and D policies have started paying the necessary dividends and the country is progressively using her trained manpower in exploration and development of technologies in the most sophisticated areas of production, like alternative energy. Apart from having joint ventures in a number of countries, India has started exporting technology. In the area of small industries development, the country is being looked upon as the leader and path-finder by a number of developing countries who are approaching her for assistance in their small industries development.

The performance of the infrastructure sectors has recorded an appreciable uptrend and a result, the rate of growth in industrial production has been maintained at a consistently high level of more than 10 percent. It is expected that the year ending March 1982, will close with an industrial growth of over 10 percent

which will be, so to say, an all-time record.

Air-India Service from Amritsar to UK

According to Air-India, it will operate two flights a week through Amritsar to Birmingham, UK from January 3, 1982 a long-felt need for the large north ethnic community now settled in the midlands (Birmingham, Manchester and Leeds). In the past, the bulk of this traffic moved from north India to Delhi by surface means and again from London Airport to the Midlands by road or rail. Frequently, this entailed a night halt both in Delhi as well as in London.

The Air-India Boeing 707 flight will leave Bombay every Sunday and Tuesday at 07.30 A.M. (local time) and, after a brief halt at Delhi, will arrive at Amritsar at 11.00 A.M. (local time). The flight will leave for Birmingham via Moscow at 11.45 A.M. (local time) arriving Birmingham at 6.15 P.M. (local time) the same day. The return flight will commence the same evening at 7.45 P.M. (local time) arriving Amritsar at 10.45 A.M. (local time) the next morning before terminating at Bombay at 3.00 P.M. (local time). Flight AI-515 makes Air-India the first airline in the world to operate into the international airport of Birmingham from a point outside Continental Europe.

Science and Technology

Research and Development in ITI

The Research and Development activities in the Indian Telephone Industries (ITI) at Bangalore cover the entire spectrum of communication equipment, from electro-mechanical and electronic

switching to long distance transmission systems over cable, microwave and through Satellite. Nearly 60 percent of the equipment currently in manufacture in ITI is of indigenous design. Even in the case of remaining 40 percent, substantial adaptations have been made in ITI to improve reliability of operation. ITI has currently undertaken a programme for updating its designs to secure various improvements viz. (i) to build into designs more reliability in operation; (ii) to exploit the gains made in the component technology that would serve to improve quality and reduce costs; and (iii) to promote self-reliance as early as possible in evolving designs of future systems.

For this purpose ITI is spending every year between 5 percent and 6 percent of its total turnover in Research and Development.

ITI has, probably one of the best equipped research and development establishments in the field of electronics and communication in the country, with an investment of Rs. 104 million, employing over 500 highly qualified engineers and another 1200 skilled technicians. It is organised into three divisions covering three major product-lines—two in Bangalore Complex and one in the Naini Complex.

Some of the R and D activities are as follows :

Satellite Communication : ITI would be supplying the entire equipment for the ground station links for the Indian Satellite which is expected to go into the orbit in February 1982. For the INSAT project, ITI is supplying equipment for 22 earth stations which includes six mobile earth stations which

are vehicle mounted and can be transported to any location in the country. In fact one of these is now in use in the APPLE Project in Bangalore and receiving signals from the APPLE Satellite. The mobile earth station equipment has been developed in co-operation with the TRC. Ground station equipment for remote and inaccessible stations such as Port Blair in Andaman, Kavaratti in Nicobar Islands and Aizwal in Mizoram have been supplied by ITI.

Electronic Switching : ITI is completing development of a local-cum-transit switching exchange suitable for extending communications to the rural areas. The design employs completely digital electronic switching using the most modern technology of time division switching. The equipment is expected to be ready for field evaluation before 1981-82, and would be manufactured in the new Palghat factory. Utilising similar advanced concepts, ITI has also designed a PABX with a capacity of upto 1,000 lines suitable for large offices, hotels etc., providing a number of modern facilities such as call transfer, automatic dialling, conference facility, paging etc. ITI has also designed a small electronic automatic exchange of 25 lines and 50 lines capable of being extended upto 200 lines for small offices. ITI has also completed design of 50 line electronic teleprinter exchange which is under field evaluation in the Posts and Telegraph Department (P and T). This also employs the latest digital switching technology and is most reliable and economical in operation. Bulk production could be expected to start early in 1982.

Microwave transmission equipment : ITI in cooperation with TRC and the Defence Department has

completed development of a family of systems in the microwave region from 2 GHz, 4, 6, 7 to 8 GHz. Each microwave channel in the 4 and 6 GHz range provides for 1800 speech circuits or 960 speech circuits plus one television channel. It would be possible to provide a national television hook up once the stations are connected through such microwave circuits.

Coaxial Cable Circuits: ITI in cooperation with the P and T has developed a family of transmission systems over coaxial cable, provide 600,960 and 2,700 speech circuits per pair of tubes. These systems are now in regular manufacture.

Two New Seismological Observatories Commissioned

Out of the four seismological observatories targetted to be established by the Department of Meteorology during 1981-82, two have been commissioned on September 1, 1981 at Pithoragarh and Bahraich in the Nepal-India border region. With this the earthquake monitoring in Central Himalayas has been further strengthened. The other three observatories will shortly be commissioned at Srinagar, Jammu and Bilaspur. With the commissioning of Pithoragarh and Bahraich observatories the total number of seismological observatories maintained by the Department of Meteorology has risen to 43. Of these, 27 are permanent observatories which detect and locate and locate earthquakes and evaluate seismic risk in different parts of the country. The remaining 16 are River Valley stations which maintain surveillance around river valley projects in Jammu, Himachal Pradesh and Upper Assam.

India's Second SEO Bhaskara-II Goes into Orbit

In order to provide continuity to the activities initiated on earth observation studies with Bhaskara I, its successor Bhaskara II, India's second Satellite for Earth Observation, was launched on November 20, 1981 at 32 seconds past 1400 hrs. (IST) from a Soviet cosmodrome, using Soviet Intercosmos rocketes under an agreement signed with USSR Academy of Science. The spacecraft seperated from the rocket about 25 minutes after the lift off and was injected into a near circular orbit at a height of about 525 km. The Satellite orbits round the earth every 95 minutes and is expected to have an operational life of about one year.

Like its predecessor, Bhaskara-II is also a satellite for earth observation and has been designed and developed at ISRO Satellite Centre (ISAC), Bangalore.

It is quasi-spherical polyhedron in shape, 1189 mm, high and having an equivalent diameter of 1590 mm. It weighs 436 kilogram. The satellite power system consists of silicon solar panels and a nickel-cadmium battery and has a power output of 37 watts.

The major objectives of Bhaskara-II are :

- (i) To conduct earth observation experiments for collecting, analysing and disseminating data of relevance to hydrology, forestry and geology using two television cameras.
- (ii) To study ocean surface state using a three frequency microwave radiometer system.

- (iii) To evolve the methodology of collection and dissemination of data of meteorological interest from remotely located platforms.

- (iv) To evaluate the performance characteristics of indigenously developed thermal paint and solar cells under prolonged exposure to space environment.

Bhaskara-II will carry two primary payloads, namely, TV Camera System and Satellite Microwave Radiometer (SAMIR) system, both developed at the Space Applications Centre (SAC), Ahmedabad. The TV cameras will provide resource information on forestry, hydrology, geology and biomass. The Satellite Microwave Radiometer (SAMIR) will enable ocean surface studies by collecting data on sea surface temperature.

The USSR Academy of Sciences, in addition to providing the launch of Bhaskara-II, provided solar panels, chemical batteries, taperocorders, thermal paints and gas bottles. The ground stations for receiving the telemetry data from Bhaskara-II and for tracking and commanding the satellite have been established at SHAR Centre, SAC and at Bearlake near Moscow. The equipment required for the ground Stations were developed at ISAC, SAC and VSSC, installed and commissioned under the overall direction of STRAC/SHAR. SHAR Centre is also responsible for the routine operations of the spacecraft. The final processing and dissemination of data to user agencies will be carried out by SAC.

It may be recalled that Bhaskara-I, India's first experimental Satellite for Earth Observations (SEO), weighing 444 kilograms was launched on June

7, 1979 from a Soviet cosmodrome. It carried two TV cameras as its primary payloads. With the aid of these TV cameras, Indian subcontinent has already been mapped several times and more than 1,000 imageries have been obtained. These are providing useful information on forestry, hydrology, large water and land bodies, snow cover and snow melting. Similarly, the microwave radiometer has been providing data on the sea surface temperatures, ocean winds, moisture content over land and sea and mapping flooded and non-flooded areas.

The successful accomplishment of the experimental Satellites for Earth Observations has given the impetus to move ahead with the design of semi-operational remote sensing satellite, the first of which is the Indian Remote Sensing Satellite (IRS-1). The spacecraft which is being presently designed, is expected to carry imaging devices for obtaining imageries over the Indian continent with a resolution of about 40-50 mts. in several spectral bands for earth resource survey purposes.

In all these programmes, a major guiding principle followed by the Centre has been to utilise the existing infrastructure, facilities and expertise available in and around Bangalore and elsewhere in the country to the maximum extent possible. Major elements of such interaction include of the fabrication of satellite structures, facilities, electronic components and the use of existing test and component screening facilities. In addition to a large number of educational and scientific institutions, more than eighty public and private sector organisations have been intimately involved in these activities.

Programme of Forthcoming Participations in Trade Fairs/Exhibitions Abroad

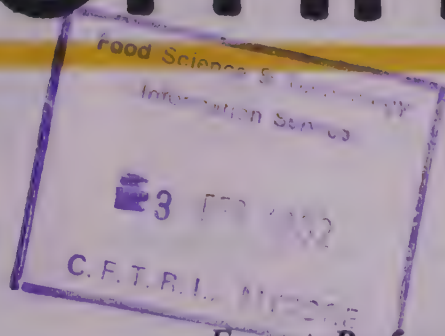
- | | |
|---|-----------------------------|
| 1. Khartoum International Trade Fair, (Sudan) | January 25-5 February, 1982 |
| 2. Indian Exhibition, Bahrain | February 1-10, 1982 |
| 3. Eastern Stoff Total Fashion Show, Osaka, (Japan) | February, 4-9, 1982 |
| 4. Indian Exhibition, Nairobi, (Kenya) | March 12-21, 1982 |
| 5. Cairo International Fair, Cairo (Arab Republic of Egypt) | March 13-27, 1982 |
| 6. Indian Exhibition, (Algeria) | May, 1982 |
| 7. Indian Exhibition, Kuala Lumpur (Malaysia) | November, 1982 |
| 8. Indian Exhibition, London (UK) | November, 1982 |
| 9. Indian Exhibition, Mexico | May, 1983 |
| 10. Hannover International Fair, (FRG) | April, 1984 |

Programme of Forthcoming National Specialised Commodity Fairs at Pragati Maidan

- | | |
|--|----------------------|
| 1. National Handloom and Khadi Fair | December 22-31, 1981 |
| 2. National Woollen Textiles and Knitwear Fair | December 22-31, 1981 |
| 3. National Garments Fair | January 15-24, 1982 |
| 4. National Carpet, Durees and Coir Fair | February 12-21, 1982 |
| 5. National Furniture and Furnishings Fair | March 8-17, 1982 |

Further information can be obtained from the Manager (Exhibitions), Trade Fair Authority of India, Pragati Maidan, New Delhi-110001.

economic and commercial news



News Highlights

New Specialised Commodity Fairs at Pragati Maidan

After the successful completion of India International Trade Fair, 1981 on December 4, the Trade Fair Authority of India is organising a series of four Specialised Commodity Fairs at Pragati Maidan, New Delhi, commencing from December 22, 1981. The first fair in the series is (i) Handloom and Khadi Fair which is scheduled to be held from December 22 to 31, 1981; followed by (ii) Garments Fair (January 15-24, 1982); (iii) Carpet, Durees and Coir Fair (February 12-21, 1982) and (iv) Furniture and Furnishings Fair (March 8-17, 1982).

Promoting Indo-Uganda Economic Cooperation

Under agreement signed recently between India and Uganda, both the countries would cooperate and assist each other in economic and technical fields for a mutual benefit. They will work in setting up industries and also joint ventures. A new trade agreement has also been signed recently. They have agreed to grant each other most favoured nation treatment in the matter

Export Performance and Potential

Promoting Indo-Canadian Trade and Economic Relations

Inaugurating the Candian Pavilion at the India International Trade Fair 1981 in Pragati Maidan recently, the Minister of State for Commerce, Mr. Khurshed Alam Khan urged for identifying ways and means for increasing and diversifying Indo-Canadian trade and economic cooperation. He stressed the need for having a Joint Commission between the two countries for promoting economic relations. He pointed out that although India's trade with Canada has been growing over the years, Indian share in Canada's imports remained negligible and there was urgent need to increase the volume of trade.

Welcoming the Minister to the Canadian Pavilion, the Canadian High Commissioner, Mr. John G. Hadwan said that the participation of Canada in IITF '81 would go a long way in promoting Indo-Canada economic cooperation. He noted with satisfaction that the two-way trade between India and Canada had gone up in the first six months of 1981. Upto the end of June 1981, Canada sold goods and services to India worth Rs. 1240 million as compared to Rs. 1140 million for the same period of 1980, registering a growth of nearly 9 percent.

The Chairman of the Trade Fair Authority of India, Mr. Mohammad Yunus thanked the Canadian Government for participating in the Fair.

In India's export basket to Canada, a healthy trend is discernible inasmuch as the semi-finished and finished products are gradually replacing

of exports and imports. It also envisages the setting up of a Joint Committee for effective implementation of the trade agreement. Besides, the two countries have agreed to cooperate in the field of agriculture.

Indo-Bulgarian Joint Venture for Leather Gloves

An agreement was signed recently in Sofia between State Trading Corporation of India (STC) and two Bulgarian enterprises for setting up joint venture factory in India for manufacturing fashion leather gloves for export at a capital cost of Rs. 10 million. The joint venture agreement includes buy-back agreement by Bulgarian partners and technical know-how including trading of Indian personnel. The annual production envisaged is 300,000 pairs of gloves per year.

Contents

Export Performance and Potential

Promoting Indo-Canadian Trade and Economic Relations 1

Indian Industrial Cooperation with Bangladesh 2

India and Sri Lanka to Explore Joint Venture Projects 3

STC to Supply Shoe Uppers to GDR Economic Cooperation with Developing Countries 4

Expansion of Indo-Venezuelan Economic and Commercial Ties 4

TREAME Conference Stresses Regional Railway Cooperation 5

Industrial Growth and Diversification

Step-Up in Steel Production 6

HPC Expands Refining Capacity 7

Manufacture of Modern Design Telephone Instruments 7

Big Increase in Coal Output 7

Import of Carbon Steel Sheets Canalised 8

Strong Electronics Base Urged 8

All India Powerloom Board Constituted Expansion in Weaving Sector of Woollen Industry 9

Tourist Development and Catering Corporations for Railways 9

Science and Technology

Successful Breeding of Tiger Prawn by CMFRI 10

Facilities for Non-resident Indians for Opening Bank Accounts 10

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this journal.

the traditional raw material items. While the percentage of total exports of traditional items, spices, raw sugar, tea, cashewnut, jute coir and coir products is substantial in India's trade with Canada, there does appear to be a gradual tendency in the Canadian market of a greater awareness of India's potential as supplier of manufactured goods — both consumer and industrial. Impressive increases were registered in 1979 by edible nuts (139.2 percent) precious stones/jewellery (130.3 percent), leather and leather goods (128.3 percent), engineering goods (102.2 percent), jute and jute goods (54.7 percent) carpets and rugs (48.4 percent), handicrafts (36.4 percent) and textile (19.4 percent).

India's major exports to Canada are jute goods, carpets and rugs, textiles, engineering goods, leather and leather goods, footwear, tea, coffee, handicrafts, spices, nuts, fruits, vegetable and food products, precious stones, jewellery, basic chemicals, pharmaceuticals and allied products.

With a view to promoting bilateral financial cooperation, three loan agreements for total amount of C \$ 125 million (approximately Rs. 962 million) were signed recently in New Delhi by Mr. R.N. Malhotra, Secretary (Economic Affairs) on behalf on the Government of India and Mr. Marcel Masse, President, Canadian International Development Agency on behalf of the Government of Canada.

The first agreement is for loan of C \$ 50 million (Rs. 385 million) for the Agricultural Refinance and Development Corporation for agricultural refinancing activities, which include minor irrigation, animal husbandry, forestry programmes, fisheries, deve-

lopment of market yards etc. The emphasis would, however, be given to small farmers who would receive, as far as possible, 60 percent of the project funds. During the last three years, Canada had extended similar assistance to ARDC. The second agreement is for a line of credit of C \$ 45 million (Rs. 346 million) for the purchase of materials, equipment, machinery and services related to oil and gas exploration and development. The line of credit is in continuation of an earlier line of credit for C \$ 15 million extended in 1980. The third agreement is for a line of credit of C \$ 30 million (Rs. 231 million) for financing the purchase or materials, equipment, machinery and services related to the power sector.

The above loans are free of interest and service charges and are repayable over a period of 50 years, inclusive of a grace period of 10 years. With the signing of these agreements, the total amount of aid authorised so far by Canada during 1981-82 would be C \$ 145 million (approximately Rs. 1116 million).

Indian Industrial Cooperation with the Bangladesh

Mr. Narayan Dutt Tiwari, Union Minister for Industry and Labour, assured recently the Bangladesh delegation from the Metropolitan Chamber of Commerce and Industry, Dacca, led by Mr. Morshed Khan, that he would try to impress upon the Indian industrial community to explore the possibilities of setting up industrial ventures in Bangladesh.

The delegation was all praise for the Indian achievements in the fields of industry and technology. They repeatedly made references to the India

International Trade Fair 1981 which they have visited. They said that they were not aware of the availability of such immense wealth of industrial potential and technology next door to their own country. However, they felt that there was some communication gap between the two countries inasmuch as the Indian business community was not present in Bangladesh in a big way.

The delegation also urged upon Mr. Tiwari that the political leadership should see to it that there was greater participation and cooperation between the business community of both the countries. They requested the Minister to impress upon the Indian business community to go in for industrial cooperation with Bangladesh. Mr. Tiwari assured them that all possible help and reiterated that India was interested in a strong and prosperous Bangladesh.

India and Sri Lanka to Explore Joint Venture Projects

India and Sri Lanka have agreed to explore the avenues for joint venture projects. It has been felt that third country projects and transfer of technology could provide useful opening for this purpose. This was agreed to when Mr. L.W. Athulathmudali, the Minister of Trade and Shipping of Sri Lanka called on Mr. Pranab Mukharjee, Union Minister for Commerce, Steel and Mines, recently in New Delhi.

The visiting dignitary expressed his concern at the way MFA talks were going on and hoped that the developed country would adopt a reasonable attitude. Mr. Mukherjee said that there was much more scope for cooperation and coordination

amongst the developing countries which besides MFA talks should be further extended to other areas like International Commodity Agreement. He felt that the developed countries, through formal and informal discussions, should work out a common strategy to meet such situation being created by the developed countries. Both the Ministers agreed that bilateral trade between India and Sri Lanka was doing well but felt that there was vast scope for further increasing its volume, particularly in respect of supplies from Sri Lanka. Sri Lanka Minister identified certain areas where the cooperation between the two countries could be further extended and also suggested certain ways and means for improving flow of trade. Mr. Mukherjee assured the visiting dignitary that for all its requirements, India would always give the first preference to developing countries.

Trade between India and Sri Lanka is governed by Trade Agreement signed in 1961. In June 1968, Indo-Ceylon (Sri Lanka) Joint Commission for economic cooperation was set up with the objective of mutual trade, organisation of industrial cooperation and promotion of tourism. Trade between the two countries is regulated by this Commission. In the recent meeting, it was suggested and agreed that the meeting of this Commission should be held in Colombo in 1982.

The major items of export to Sri Lanka are commercial vehicles, medicinal and pharmaceutical products, textile, yarn and fabrics etc. India's imports from Sri Lanka mainly consist of hides and skins, spices and crude minerals etc. In 19-80, India's exports to Sri Lanka were over 1,000 million.

STC to Supply Shoe Uppers to GDR

The State Trading Corporation of India (STC) has entered into a contract with M/s Interpelz, of German Democratic Republic for supply of 872,000 pairs of leather shoe uppers valued at Rs. 84.5 million for deliveries during the period from March 1982 to October 1982. The contract was signed recently at the India International Trade Fair 1981 by Mr A. K. Sen, Group Executive of STC and Mr. E. Schorsch, Deputy Director General, M/s Interpelz.

On the basis of long-term cooperation agreement concluded between Interpelz and the STC earlier in the year, this is the third major contract negotiated by STC in the year 1981 signifying continuity in economic growth and cooperation between the two countries. Conclusion of the present additional contract will help in sustaining the Corporation's export programme with the small scale sector as one of the principal objective leading to additional employment generation

With the progress of economic cooperation between the two countries, the complexion of exports to GDR on the leather front is changing from semi-processed leather to finished leather and leather manufactures. The GDR buyers are undergoing significant changes in terms of technology and production techniques as compared to the technology and designs used hitherto. There were exchanges of ideas at shop floor levels between the STC associate manufacturers and their counterparts in GDR during the visit of the delegation to Agra, Madras and Delhi so that the

exacting and demanding standards of GDR could be dovetailed in the Indian production centres located largely at Agra, Delhi, Kanpur and Madras.

The visiting delegation has invited the STC and their associates to visit GDR sometime in middle of 1982, so that the dialogue initiated at the shop floor level in India could be continued in their shoe factories in GDR.

Economic Cooperation with Developing Countries

Mr. Abid Hussain, Commerce Secretary, stressed recently that India stood for a just economic order in the world, and to achieve the same would like to develop its economic and trade relations both with the developed and developing countries. He was delivering a key-note address at a seminar on 'India's Trade and Economic Cooperation with Developing Countries' organised by the Indian Institute of Foreign Trade, in collaboration with the Trade Fair Authority of India, to coincide with India International Trade Fair 1981. The seminar was inaugurated by Mr. Mohammad Yunus, Chairman, Trade Fair Authority of India and attended by representatives from different countries participating in the Fair.

The Secretary said that each country's economic policies get affected by its political and social environments, and underlined the developing process so achieved in this country where since independence an all round growth had been witnessed in the field of agriculture and industry. He also referred to adverse economic environments in the world as far as the developing countries were concerned, emanating in the form of increasing

protectionism and uneven tariff policies being pursued by the developed countries.

The Commerce Secretary said that India was now in a position to help other developing countries in the field of technical know-how and skilled manpower. He emphasised that India would like to use this position towards helping the developing countries and not to exploit them in any way. At the same time he said that India on its part would also be too willing to accept 'advanced technology' from the developed world, which it might not be possessing. He felt that economies of all countries, both developed and developing, could prove complementary to each other and should be utilised for improving the lot of the world as a whole which, in turn, would help in bringing about the cherished goal of a just economic order.

Expansion of Indo-Venezuelan Economic and Commercial Ties

India and Venezuela are to further expand economic and commercial cooperation between the two countries. This has been stated in the Indo-Venezuelan Joint Communique issued at the end of a recent official visit to India of Dr. Luis Herrera Compins, President of Venezuela. India's Prime Minister, Mrs. Indira Gandhi, and the Venezuelan President took note of the growth in economic and commercial exchanges between the two countries over the last few years and recognised the immense possibilities for their further expansion. They agreed to study the possibilities of setting up joint ventures for cooperation and development among enterprises of the two countries.

The two leaders reviewed the excellent relations between Petroleos de Venezuela and Indian Oil Corporation particularly in the field of petroleum imports by the latter and agreed to discuss enhanced supplies in the very near future.

They expressed their view that global negotiations should be a decisive landmark in international cooperation and agreed that the success of such negotiations would depend on the political will of the participating countries, particularly the developed countries.

Reviewing with satisfaction the growing friendship between India and Venezuela, the two sides agreed that the conclusion of an Agricultural, Economic, Scientific and Technical Cooperation Agreement and also of a Cultural Agreement would contribute further to the strengthening of Indo-Venezuelan friendship. The Agreements would be discussed through diplomatic channels.

The two sides took note of the continuing deterioration in the world economic situation due to the unjust relations existing between the developed and the developing countries. While they recognised the need to reaffirm the determination to strengthen the solidarity and the unity of purpose and action among the countries of the Group of 77 for closer cooperation among developing countries, at the same time, they affirmed that cooperation among developing countries did not absolve developed countries of their responsibilities within the framework of the North-South dialogue.

The two sides recalled the contribution they had made to the deliberations of the Group of 77, took satisfaction in the positive results of the High Level Conference on Economic Cooperation among Developing Countries held in Venezuela in May, 1981 and reiterated their firm determination to contribute actively to the early implementation of the Programme of Action of Caracas.

The two sides recognised that with rapid advance in modern science, technology and communications, the world had come closer together and that it was desirable for nations to work together in a spirit of inter-dependence which was inevitable between the developed and the developing countries.

The President of Venezuela was accompanied by the Minister of Foreign Relations, Dr. Jose Alberto Zambrano Velasco; the Minister of Defence, General Bernardo Leal Puchi; the Minister for Energy and Mines, Dr. Humberto Calderon Berti; the President of the Central Bank of Venezuela, Dr. Leopoldo Diaz Bruzual and other high officials.

TREAME Conference Stresses Regional Railway Cooperation

Top Railway Executives of Asia and the Middle East (TREAME) observed in Delhi recently that there were several areas of co-operation which could be developed in the field of multi-modal transportation. They said that tourism was a new growth area for the railways and requested the Economic and Social Commission for Asia and the Pacific (ESCAP) to

assist the railways in member countries in cultivating professionalism in tourism and in overcoming the problems of shortage of tourism expertise. The delegates noted with appreciation the experiment of Indian Railways in introducing "Palace on Wheels" and observed that it was a major step in providing facilities to large groups of tourists to travel by night and save on hotel costs.

The Conference requested ESCAP to organise research and investigation for the setting up of Tourism Facilitation Units (TFUs) in member countries. These units should have regional linkage so that the railways are able to offer attractive and comfortable rail package transcending national barriers.

The Conference felt that experiences of some of the regional railways like the Indian Railways were ideally suited for adoption as a part of intermediate technology transfer schemes relevant to the railways of the region where capital was and would continue to be scarce.

The role of railways in the development of inter-modal traffic was discussed in depth. The delegates felt that container was the most economic means of integrating the use of different modes for movement and containerisation of rail cargo offered a relatively easy solution to the problems of transshipment of freight from one gauge railway to another gauge railway system besides providing security against pilferages.

The Conference observed that concrete sleepers with elastic fasteners on

rail tracks were most suitable for heavy density routes. It recommended that an in-depth study should be undertaken to develop an ideal concrete sleeper for use on such routes in member countries.

The Conference decided to recommend to ESCAP to initiate a scientific management development programme in member countries by a group of experts. A Regional Management Development Institute in the ESCAP region should be set up.

The Conference requested ESCAP to assist in the setting up of Rail Transport Institutes in member countries.

The delegates adopted a resolution to set up a Railway Co-operation Group (RCG) under the aegis of ESCAP for promoting economic and technical co-operation among the railways of member countries. The RCG would be headed by a Project Co-ordinator.

In the ten-day Conference of TREAME, forty delegates from eighteen countries, i.e., Australia, Bangladesh, China, Hong Kong, India, Iran, Japan, Malaysia, Nepal, New Zealand, Pakistan, Philippines, Thailand, Vietnam, United Kingdom, USSR, Saudi Arabia and Syria participated. Four delegates from ESCAP, including the Executive Secretary of the ESCAP, Mr. S.A. M.S. Kibria, also participated in the Conference. The Chairmen of some public sector undertakings in India attended the Conference as observers.

Step-Up in Steel Production

During April-October, 1981 the six integrated steel plants produced 3.97 million tonnes of saleable steel and 4.84 million tonnes of ingot steel. The corresponding figures for the same period last year were 3.21 million tonnes of saleable steel and 4.05 million tonnes of ingot steel. This information was given recently by Mr. Pranab Mukherjee, Minister of Steel and Mines at a meeting of the Parliamentary Consultative Committee attached to his Ministry.

The Minister said that the production of the public sector steel plants was 3.73 million tonnes of ingots and 3.08 million tonnes of saleable steel representing an increase of about 24 percent in ingot steel and 30 percent in saleable steel over the corresponding production performance of the last year.

He also informed that the Government had approved the setting up of a Pellet Plant at Mangalore for the conversion of Kudremukh concentrates into pellets at an estimated cost of about Rs. 870 million. KIOCL had signed the contract with M/s Uzinexport-import of Romania for the setting up of the above plant. The work had already started and the plant was expected to go into production in the last quarter of 1984.

The Minister further disclosed that KIOCL had entered into a separate contract with M/s Mineral Import Export of Romania for the supply of Kudremukh concentrates converting the total value of the contract for the Pellet Plant. The total quantity of the concentrates to be supplied will be about a 3 million tonnes at the rate of

about 1 million tonnes per year starting from 1981-82.

The Minister informed the Committee that for the implementation of Visakhapatnam Steel Project, Government have decided to form a separate company under the administrative control of the Department of Steel. He said that Vizag Steel Project and Tiajpromexport of the USSR had signed contracts for the supply of equipment, structures and refractories amounting to approximately 1960 million. Vizag Steel Project was expected to sign another contract with HEC, Ranchi for supply of equipment and structures worth Rs. 2495.30 million comprising about 55,000 tonnes of equipment and 21,000 tonnes of structures, he added.

Regarding Paradip Steel Project, the Minister told that Government had decided to entrust the works relating to this Steel Plant to M/s Davy McKee of UK subject to the satisfactory settlement of the terms and conditions relating to technical commercial, financial and other related aspects pertaining to the project and its implementation. A small negotiating group had been constituted to negotiate and finalise the details by the end of this year.

The Salem Steel Plant commissioned in September 1981, was expected to produce 32,000 tonnes per annum of finished cold rolled stainless steel sheets and strips of different groups and thickness.

Regarding expansion programme of TISCO, the Minister informed the Committee that the Tata Iron and Steel Company Limited were undertaking modernisation of their Steel Plant at Jamshedpur. The capital cost of the scheme was estimated at Rs. 2000 million including a foreign

exchange component of Rs. 550 million. The scheme will increase the capacity of the plant from its existing level of 2 million tonnes of ingots per annum to 2.16 million tonnes. In terms of saleable steel, the capacity will be increased from 1.524 million tonnes to 1.740 million tonnes.

A Member wanted to know the reason for the inadequate provision made during the Sixth Plan Period for the steel industry and the steps taken by the Government to fulfil the targets. The Minister said that the Working Group on Iron and Steel had projected the demand for saleable mild steel in 1984-85 at 12.7 million tonnes and the availability at 11.395 million tonnes. Thus, the net deficit in 1984-85 will be about 1.305 million tonnes.

Mr. Mukherjee said that during the Sixth Plan the main emphasis had been on completion of the continuing schemes and on modernisation, rationalisation and improving the infrastructural facilities in the existing plants for maximising the production. To meet the demand by 1989-90, action to start new plants would be initiated during the Sixth Plan Period. Mr. Mukherjee said that the production of aluminium during April-October, 1981 had increased by 17.19 percent over the corresponding period of the previous year. Production of aluminium during this period was 122,038 tonnes as against 104,140 tonnes during the corresponding period last year. There had been some improvement in power supply to BALCO which had enabled BALCO to produce 19,000 tonnes during April-October, 1981 compared to 16,561 tonnes during the corresponding period last year thus registering an increase of 15.33 percent.

The production of a zinc from April-October, 1981 had similarly shown an increase of 25.9 percent being 35,413 tonnes compared to the production of 28,123 tonnes during the corresponding period of last year. The copper production had remained more or less static in the current year compared to the previous year. Regarding Sukinda nickel deposits, the Minister said that the Government had concluded an agreement with the Canadian international Development Agency and they would send experts to evaluate the nickel deposits and to recommend further lines along which progress in the implementation of the project should be made.

HPC Expands Refining Capacity

The public sector enterprise, Hindustan Petroleum Corporation (HPC) currently busy in expanding its Visakhapatnam refinery capacity from 1.5 million tonnes to 4.5 million tonnes, has also submitted a proposal to the Government for the expansion of their refinery at Bombay by 2 million tonnes. The proposal is under consideration of the Government.

The Corporation has an investment programme of Rs. 4,000 million during the Sixth Plan period and some of the major projects now under implementation under this programme include the expansion of the Lube Refinery by 74,000 tonnes, expansion of the Vizag Refinery by 3 million tonnes, construction of a 170-km product pipeline from Bombay to Pune, setting up of a number of cooking gas bottling plants and completion of a sulphur recovery project at their Bombay Refinery.

HPC has already commissioned cooking gas cylinder filling plants of 25,000

tonnes per annum capacity at Bombay, Bangalore and Nagpur. Two more bottling plants at Hyderabad and Indore are under construction. The Corporation proposes to provide new cooking gas connections to about 200,000 consumers during the next financial year (April 1982 to March 1983).

The Corporation Chairman, Mr. R.M. Bhandari presented a dividend cheque for Rs. 21.28 million to the Union Minister for Petroleum, Chemicals and Fertilisers, Mr. P.C. Sethi, for the year 1980-81. The Corporation has declared a dividend at 14 percent this year as against 12 percent in the previous year.

The Corporation earned all-time high profit before taxes about Rs. 340 million, the net profit after taxes being Rs. 165 million.

Manufacture of Modern Design Telephone Instruments

The Indian Telephone Industries Ltd., Bangalore, (ITI) in consultation with Posts and Telegraph (P and T) Department had invited offers of collaboration for manufacture of one million telephone instruments and 1.5 million critical sub-assemblies of contemporary design, in its two factories at Naini and Bangalore.

After prolonged and through field trials of the proven models and the technical evaluation of tenders received, the offers of two foreign companies were recommended by a Technical Evaluation Committee consisting of experts from P and T and ITI.

The production is scheduled to commence from January, 1983, and full

production capacity is expected to be achieved by 1985-86. The feeder unit manufacturing the critical components is proposed to be located at Bangalore and the units manufacturing the other components and assembling the telephones at Bangalore and Naini.

The total projected demand of telephone instruments of the P and T Department as well as non-P and T subscribers for the year 1981-82 is 544,000. With the expansion planned as indicated above, Indian Telephone Industries Ltd. will be able to meet the requirements during the Sixth Plan period.

Big Increase in Coal Output

The cumulative coal production during the first seven months of the current financial year, April-October 1981, recorded an increase of 10.1 percent over the corresponding period last year, exceeding the initial target rate of growth of 6.14 percent fixed for the entire year 1981-82. The Government had earlier planned to produce 121 million tonnes during the current financial year against the last year's actual production figures of 114 million tonnes and this meant an increase of 6.14 percent. But looking to the growing trend of production and to meet the increasing demand of coal, the Energy Minister directed the coal companies to raise the production target to 124 million tonnes. This works out to a growth target of 8.77 percent for the year. Even this target has so far been exceeded by the coal companies by increasing the coal output by 10.1 percent during the first seven months of the current year over the corresponding period last year.

During these seven months coal output of 64.59 million tonnes was achieved as against 58.65 million tonnes last

year marking an increase of over eight million tonnes. Increased production was recorded by all the coal companies during the seven months period. Coal output in BCCL went up by 13 percent, CCL 11.6 percent, ECL 8.7 percent, WCL 7.4 percent and Singareni Collieries by 10.7 percent.

Along with the production, the coal despatches have also substantially risen during April-October 1981 marking an increase of 13 percent over the corresponding period last year. During this period, 65.28 million tonnes of coal was despatched to various consumers as against the corresponding figure of 57.74 million tonnes last year marking an increase of over seven million tonnes. As a result of the increased despatches to various sectors, coal companies have been able to liquidate part of their large stocks of coal accumulated at the pitheads at the end of March this year. During the past seven months, coal companies have succeeded in bringing down their stocks from a level of 18.28 million tonnes on April 1, 1981 to 15.38 million tonnes at the end of October this year.

Import of Carbon Steel Sheets Canalised

The Government of India has canalised import of carbon steel sheets in deep drawing and extra deep drawing qualities withdrawing from the Open General Licence (OGL) import facility. The canalising agency will be Steel Authority of India Limited (SAIL). The change will not, however, affect import of materials in respect of which shipments have already taken place before the date of issue of the public notice. The Union Ministry of Commerce has already issued a public notice. This change in policy is intended to curb undesirable imports and at the same time to

ensure that the requirements of genuine users of this special quality material are fully met through the import by the canalising agency.

Since October, 1979, import of carbon steel sheets in deep drawing and extra deep drawing qualities had been allowed under Open General Licence. This was so because these sheets are not produced in the country. The decision to canalise import of carbon sheets has been taken because it came to the notice of the Government that some quantities of this material were being imported for speculative purposes or as a substitute for the materials available within the country, viz. cold rolled sheets.

Strong Electronics Base Urged

The Union Minister of State for Science and Technology, Electronics and Environment, Mr. Chandra Pratap Narain Singh, has urged a strong electronics base in the country. Addressing an International Workshop on the Physics of Semiconductor Devices recently, the Minister said that India, hopefully, will touch Rs. 10,000 million worth of electronics production during this year, and further added that to achieve faster growth rate, there was an urgent need for a completely different and drastic approach. He pointed out that Indian scientists could achieve fivefold growth in electronics goods, worth nearly Rs. 50,000 million in nearly five years if the electronics components were made available in the country at international prices.

He also pointed out that components requirement of the industry was of the order of about Rs. 2,700 million in 1981 and the indigenous production will be of the order of about Rs. 2,000 million. The investment that had gone

into components industry was of the order of about Rs. 1,000 million. He hoped that Indian experts participating in the Workshop would come out with solutions with regard to electronic equipment and consequently the industry will be able to achieve very high growth rate of upto 25 percent in semiconductor technology.

All India Powerloom Board Constituted

The Central Government has constituted an All India Powerloom Board under the Chairmanship of Mr. Pranab Mukherjee, Union Minister for Commerce. The term of office of the Board will be for a period of one year. The Vice-Chairman of the Board is Mr. Khurshed Alam Khan, Minister of State for Commerce. The other members of the Board are Minister-in-charge of Powerlooms of Gujarat, Karnataka, Maharashtra, Punjab, Tamil Nadu and West Bengal and representatives of the concerned Union Ministries, Khadi and Village Industries Commission, Reserve Bank of India, Cotton Mills' Federation, National Cooperative Consumers' Federation, Federation of Indian Artsilk Weaving Industry, Indian Woollen Mills' Federation, All India Powerloom bodies of Andhra Pradesh, Assam, Gujarat, Maharashtra, Manipur, Orissa, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal.

The Textile Policy Statement of March 9, 1981 is a significant departure from the past in that it acknowledges the existence of a large number of powerlooms and seeks to bring them within a firm discipline both physical and financial. While taking steps to enhance the productivity of the powerlooms sector, it is necessary to ensure

that this sector does not compete with the handloom sector which has pride of place in the textile policy. With a view to regulating the growth and development of the powerloom sector and to prevent undesirable competition between the powerloom sector and the handloom sector, the Government has decided to constitute the All India Powerloom Board.

The Board will advise the Government generally on matters concerning the growth and development of the powerloom sector of the textile industry in the country including the steps necessary for preventing the installation of unauthorised powerlooms and eliminating undesirable competition between the powerloom and the handloom sectors by means of appropriate fiscal measures.

Expansion in Weaving Sector of Woollen Industry

The Textile Policy announced by the Union Minister of Commerce, on March 9, 1981, mentions, among other matters, the steps taken and proposed to be taken by the Government of India for promoting the growth of the woollen industry. The Sixth Five Year Plan envisages an increase of 75 percent in the number of spindles and 50 percent in the number of powerlooms as existing at the commencement of the Plan which were 400,000 and 5,000 respectively. Installation of spindles has already been delicensed up to 2,400 spindles in September, 1980 and under the delicensing scheme, a large number of applications for installation of additional spindles have already been cleared.

In accordance with the textile policy statement and the Sixth Plan projections, the Government has now decided

upon the following guidelines for the purpose of matching expansion on the weaving sector of the woollen industry.

- (a) Expansion would be allowed to all existing weaving units upto 30 percent of their existing permitted capacity or upto four powerlooms, whichever is more. A further expansion to the extent of 20 percent of the existing permitted capacity would be allowed in the case of those units which have exported at least 20 percent (in quantity) of the fabric produced and sold by them during the two financial years preceding the year in which the application is made. In both these cases, the expansion would be allowed only to those units which have utilised at least 60 percent of their weaving capacity on two shift basis during either of these two years.
- (b) In order to promote integration of spinning and weaving, spinning units which have been operating for at least two years on the date of their application, would be allowed to instal powerlooms at the rate of one powerloom for every 200 worsted spindles, or one powerloom for every 120 non-worsted spindles.
- (c) Existing composite units which have less powerlooms than what the ratio of one powerloom for every 202 worsted spindles or every 120 non-worsted spindles will permit, have the option of applying for additional looms under the provisions of either (a) or (b) above.
- (d) Establishment of new units or expansion of existing units

would also be allowed, within the ratio of 200 : 1 for worsted and 120 : 1 for non-worsted units, but subject to an upper spindleage limit of 2,400 for either of the systems, in the cold belt and hilly regions, viz. Jammu and Kashmir, Himachal Pradesh, hill districts of Uttar Pradesh and North Eastern States including Assam, which are lagging behind in the development of this industry.

Tourist Development and Catering Corporations

The Union Minister for Railways, Mr. Kedar Panday, has observed that a Railway Tourism Development Corporation and a Railway Catering Corporation should be set up quickly so that tremendous potential in tourism might be tapped and the Railways were able to play a complementary role to India Tourism Development Corporation (ITDC) in this field. He felt that the Railways could plan their own hotels and motels for this purpose. He was addressing the concluding session of the Conference of the General Managers of the Zonal Railways in New Delhi recently. The Minister of State for Railways, Mr. Jaffar Sharief, and the Chairman and Members of the Railway Board were present.

The Minister referred to the novel venture of "Palace on Wheels" and said that its performance would be watched with interest. He said that he proposed to extend this scheme to the Central, Southern and Western Railways also to cater to the requirements of the tourists. He asked the General Managers to have a feeling of involvement in such projects.

Referring to the previous meeting of the General Managers, which was held in June last, Mr. Panday said that many steps forward had been taken since then. There was satisfaction all over the country at the way Railways had carried coal, fertilizers, food-grains, and petroleum and steel products to the consumers. No sector of the economy could say that Railways had not risen to the occasion to fulfil this task.

Science and Technology

Successful Breeding of Tiger Prawn by CMFRI

Scientists of the Central Marine Fisheries Research Institute's (CMFRI) experimental laboratory at Kovalam near Madras have succeeded in breeding the tiger prawn and rearing the larvae to stocking size for the first time.

The tiger prawn (*Penaeus Monodon*) is a high-priced species much in demand for export. But its production from the marine capture fisheries is very low compared to other Penaeid Prawns. Tiger prawn is relatively more abundant along the east coast in the States of Tamil Nadu, Andhra Pradesh, Orissa and West Bengal compared to the maritime States of the West Coast.

The experimental laboratory at Kovalam is being developed into a full-fledged hatchery for large scale production of the seed of tiger prawn. Initially the spawners were collected from the wild for the production of seeds. The success at Kovalam has enabled to build up a broodstock in the laboratory itself by adopting unilateral eye stalk ablation. Two batches of breeders have been developed by

this process and the larvae reared through various stages by feeding them with appropriate planktonic organisms was cultured in the laboratory.

Dr. E.G. Silas, Director, CMFRI has said that the success achieved in hatchery production of tiger-prawn seed through a crash programme at the Kovalam laboratory has immense prospects for increasing production of this highly valued species through culture. In spite of the priority assigned by the States and the interest shown by entrepreneurs as well as small and marginal farmers, prawn culture is yet to make a mark in terms of production. One of the major constraints has been the uncertainty of seed availability in the wild. Dr. Silas stated that the CMFRI has developed a hatchery facility for the white prawn at Karakkal near Cochin. The institute would concentrate on a tiger-prawn hatchery at Kovalam on the East Coast, both in view of the natural abundance of the species and also the suitability of the ecosystem for its culture. These two facilities would act as centres for the transfer of hatchery technology both to the States and private sector and also to fishermen cooperatives.

Dr. Silas pointed out that the brackish water area of 93 acres in Muttukad, including the Kovalam backwater area, handed over by the Government of Tamil Nadu to the CMFRI would be developed into a major R and D Centre for mariculture with an integrated training component. When the facility is fully developed, it would form service centre for the fish and prawn farmers of the States on the eastern seaboard of India. A beginning has already been made by free supply of tiger-prawn seed to a farm at

Nagapattinam in July last and the feed back data are being obtained.

Facilities for Non-resident Indians for Opening Bank Accounts

Indian nationals and persons of Indian origin resident abroad can freely remit funds to India through banking channels for opening accounts with banks authorised to deal in foreign exchange. Three types of accounts can be opened, namely, Non-resident External Rupee Account, Foreign Currency Non-resident Account and Ordinary Non-resident Account. Details regarding the opening of accounts, their operations and the facilities available to account holders are explained here.

Non-Resident External Rupee Account: The account can be opened in rupees only, with funds transferred from the country of residence of the prospective accountholder or any country other than the Bilateral Group—USSR, Poland, East Germany, Czechoslovakia and Romania. Government servants posted or deputed abroad with Indian Missions, governmental agencies, foreign governments and regional or international agencies such as World Bank, IMF, WHO and ESCAP can also maintain such accounts during their tenure abroad. The accountholder has to give an undertaking on the account opening form that the bank would be informed about his becoming resident in India after he returns here.

Some of the advantages of opening a non-resident external account are: The income from interest on deposits is free of Indian income-tax and the

balances held in the account are exempt from wealth tax.

Purchase of UTI units, Government securities and National Plan/Savings Certificates can be made freely from out of the balance.

Interest accruing on deposits, interest on Government securities and dividend on UTI units purchased out of funds in the account, as well as sale/maturity proceeds/repurchase price thereof, can be credited to the account freely.

Debits to the account for local disbursements are freely permissible.

The account holder can freely repatriate the balances along with interest thereon outside India at any time without reference to Reserve Bank.

Foreign Currency Non-Resident Account : The account can be opened in pound sterling or US dollar out of remittances received in either of the currencies. Remittances in other currencies are converted by the bank in India into either pound sterling or US dollar according to the choice of the remitter.

The foreign currency account is maintained in foreign currencies and the funds are also repaid to the account holder, or transferred elsewhere under his instructions, in foreign currencies without reference to Reserve Bank. Interest on deposits is paid in the currency in which the account is main-

tained. Thus, in respect of both the funds remitted to India and the interest accruing on them, the non-resident depositor is safeguarded against losses arising from fluctuations in the exchange rates for pound sterling or US dollar in relation to the rupee. The non-resident depositor enjoys all the facilities which are admissible to non-resident external rupee account.

Ordinary Non-Resident Account : The account can be opened in rupees with funds remitted through banking channels. Funds in this account cannot be remitted abroad to the account holder without the approval of Reserve Bank. Income from interest is not exempt from income-tax. Certain credits to this account like inward remittances, dividends/interest on shares and securities, their sale or maturity proceeds, maturity proceeds/surrender values of life insurance policies of the account holder, and proceeds of cheques for small amounts upto certain monetary ceilings can be made by banks without Reserve Bank's permission.

Withdrawals from the account can be freely made for local disbursements other than payments towards booking of international passages and certain investments in India. The funds can be invested in Government securities, National Plan/Savings Certificates and UTI Units. Other investments including loans to resi-

dents require specific approval of Reserve Bank. Balances in the account can also be used, with Reserve Bank's permission, for payment of passage fare of account-holder and his family and any other dependants for travel, to, from and in India, on the services of Air India/Indian Airlines. Credit or debit operations on ordinary non-resident accounts of government officials serving abroad and of Indian nationals employed in the United Nations Organisation or its affiliate bodies abroad are freely allowed.

Loans/Overdrafts Against Deposits : Non-resident account holders can obtain loans or overdrafts in India not exceeding Rs. 25,000 against fixed deposits held by them for purposes other than investment, provided the deposits represent remittances from abroad and/or interest earned thereon. They can also freely obtain loans or overdrafts outside India on the security of funds held in non-resident external accounts and foreign currency non-resident accounts. Loans or overdrafts to resident individuals or firms or companies in India against collateral of fixed deposits in non-resident external accounts and foreign currency non-resident accounts may only be granted by banks with the specific approval of Reserve Bank.

For further details, a bank authorised to deal in foreign exchange in India may be contacted.

Programme of Forthcoming Participations in Trade Fairs/Exhibitions Abroad

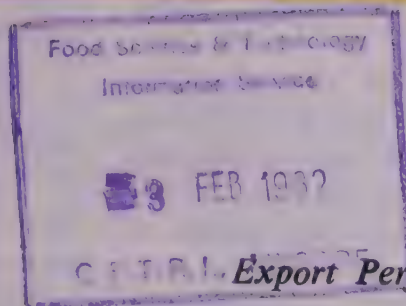
- | | |
|---|-----------------------------|
| 1. Khartoum International Trade Fair, (Sudan) | January 25-5 February, 1982 |
| 2. Indian Exhibition, Bahrain | February 1-10, 1982 |
| 3. Eastern Stoff Total Fashion Show, Osaka, (Japan) | February, 4-9, 1982 |
| 4. Indian Exhibition, Nairobi, (Kenya) | March 12-21, 1982 |
| 5. Cairo International Fair, Cairo (Arab Republic of Egypt) | March 13-27, 1982 |
| 6. Indian Exhibition, (Algeria) | May, 1982 |
| 7. Indian Exhibition, Kuala Lumpur (Malaysia) | November, 1982 |
| 8. Indian Exhibition, London (UK) | November, 1982 |
| 9. Indian Exhibition, Mexico | May, 1983 |
| 10. Hannover International Fair, (FRG) | April, 1984 |

Programme of Forthcoming Specialised Commodity Fairs at Pragati Maidan

- | | |
|-----------------------------------|----------------------|
| 1. Handloom and Khadi Fair | December 22-31, 1981 |
| 2. Garments Fair | January 15-24, 1982 |
| 3. Carpet, Durces and Coir Fair | February 12-21, 1982 |
| 4. Furniture and Furnishings Fair | March 8-17, 1982 |

Further information can be obtained from the Manager (Exhibitions), Trade Fair Authority of India, Pargati Maidan, New Delhi-110001.

economic and commercial news



News Highlights

Chairman, TFAI Presents Awards to Participants in IITF '81

Mr. Mohammad Yunus, Chairman, Trade Fair Authority of India (TFAI), presented awards for Excellence in Display to the winners who participated in India International Trade Fair held recently at Pragati Maidan, New Delhi. Among the foreign countries, the Commendation Medals for qualitative and serious participation was given to the USSR, Pakistan, Yugoslavia and Saudi Arabia. The recipient of first award in the Foreign Company level participation is the Organising Committee for 1988 Olympics, Seoul (South Korea). Those who received the awards in the national sector are : Office of the Development Commissioner of Handlooms (first) and Union Ministry of Works and Housing (second) in the category of Central Ministries; Government of Manipur (first) in the category of State Government / Union Territories; and Minerals and Metals Trading Corporation (first) and the Tate Services (second) in the public and private undertakings category. These awards in five categories of participation were announced by a jury with Begum Ali Yavar Jung as

Substantial Business Generated at India International Trade Fair 1981

Organised by the Trade Fair Authority of India, the India International Trade Fair 1981 which opened at Pragati Maidan on November 14, came to a close on December 4. The awards and certificates to the participants were presented at a ceremony on December 5, 1981 by Mr. Mohammad Yunus, the Chairman, Trade Fair Authority of India (TFAI). The Fair has been a great success. In his speech on this occasion the Chairman, TFAI disclosed that the Fair facilitated business negotiations of a far-reaching significance. On the basis of a quick survey done by the Business Information Centre, it was estimated that business worth Rs. 5000 million had been transacted. More than half of this related to contracts actually completed in areas like garage equipment, cables, paints, wire ropes, chemicals, leather products, machine tools, coffee, processed fruit, carpets, handicrafts, automobile tyres, jute bags, bicycles and so on. It was understood that nearly 7500 trade enquiries had been received by various pavilions during the Fair. A few import deals had also been made for farm machinery, paper, sulphur, asbestos, machines, essential oils and heavy chemicals, he added.

Mr. Mohammad Yunus said that 50 Trade Delegations from 42 countries came during the Fair and expressed their appreciation of the strides made by India in a wide range of industrial and consumers sectors. These delegations had either concluded sizeable business deals or paved

Chairman and Mr. B. Ramadorai, Mr. Richard Bartholomew and Mr. A. Ramachandran as members.

New Indo-Thai Joint Venture

The Hada Group of India are to set up a joint venture with Chemtex Inc. of the USA and some Thai companies for the manufacture of polyester bottles for soft drinks and beer. The total investment is expected to be around 185 million Baht and the registered capital around 55 million Baht. The 60 percent of the shares will be held by the Indian and American companies and the balance of 40 percent by local Thai companies. The machinery and plant will come from India and the USA. The plant will have a capacity of around 21 million bottles annually. The plant will be set up in the Nava Nakorn area of Thailand and will be known as Indo-American Packaging (Thailand) Co. Ltd.

Contents

Export Performance and Potential	
Substantial Business Generated at India International Trade Fair, 1981	1
Indo-Uganda Commercial and Economic Relations Strengthened	3
Oil Collaboration between India and France	4
Indo-Netherlands Trade Trends	4
Upswing in Exports of Basic Chemicals	5
Industrial Growth and Diversification	
Easy Availability of HR Coils	5
Stepping up Indigenous Oil Production	6
Rise in Coal and Power Output Envisaged	6
Cement Industry Poised for Big Production	7
Distribution of Iron and Steel	7
Computer Technology in Government Presses	7
TCIL's Improved Performance	8
Marine Fish Production to Go Up	8
Major Role for Private Sector in Tourism-Promotion	8
Forest Wealth of India	9
Science and Technology	
Use of Thorium Economically Viable	9
Agricultural Research Lauded by European Delegation	10
Investment Facilities for Non-resident Indians	10

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this journal.

the way for concrete negotiations with their Indian counterparts. He continued that coinciding with the Fair, 6 Seminars were organised, namely, 'Investment Opportunities in India'; 'Project Technology and Engineering Exports from India'; 'Energy Options for Developing Countries'; 'Trade and Economic Cooperation among the Developing Countries'; 'Role of Small Scale Industries in the context of Economic Development'; and 'Trading in Technology'. The discussions were thought-provoking and he hoped that these deliberations would soon get some practical shape.

Referring to tremendous public response generated by the Fair, the Chairman said that the streaming crowds had to be seen to be believed. More than 3 million persons were estimated to have visited the Fair. The free entry allowed to sponsored groups of students and farmers was fully availed. Though the TFAI might have lost some gate money, but it was a worthwhile decision. Besides, the Fair was graced by Heads of States, Ministers and dignitaries from many countries, and a large number of distinguished Indians and of-course by the real VIPs—the common men and women, who came in large numbers and conducted themselves with pride and patience—pride in what they saw and patience in queuing up to enter different pavilions. Touching upon the growing popularity of the Fair, Mr. Mohammad Yunus revealed that there were many suggestions and a lot of pressure to extend it as the Fair did generate a great deal of interest. There was some inclination to do so, but the commitment made to the foreign and Indian participants had to be honoured. It was, therefore, decided that extension would not be

proper. He however announced that such a fair would be an annual event of the TFAI and hoped to see the participants next year in larger numbers and even greater enthusiasm.

Alluding to another highlight of the Fair, the Chairman said that several cultural programmes were organized to entertain those visiting the Fair. This elaborate and many-sided exercise had been acclaimed to be the finest and the longest ever held in Delhi. The 8 theatres at Pragati Maidan saw nearly 6000 artistes from all over the country perform during 3 weeks that the Fair lasted. These programmes included folk dances from different regions, solo performances by the renowned as well as the up-coming artistes. There were dances, dramas, plays, Qawalis, and innumerable sessions of the instrumental and vocal music, Karate and Judo demonstrations along with mod and jazz music were specially presented to please the youngsters. Fashion Shows similarly proved popular. Art films in Hindi and regional languages as well as foreign films were screened throughout the Fair. He added that apart from the cultural programmes organised by the Trade Fair Authority of India, the participating countries and some of Indian States also organised their National and State Days and staged typical cultural performances. These included 'Ramayana Ballet' from Indonesia, a Jazz programme from Sri Lanka, Qawali and Quiz Programme by Pakistan, a musical evening by Bangladesh, a Fashion Show by USSR and a guitar performance by a well-known artist from Portugal. Some of the Indian States organised variety shows that ranged from puppetry to fashion shows. To put it briefly, the IITF' 81

presented an unprecedented bonanza of culture, reflective of the variety that India offers, he remarked.

Thanking the newspapers and mass media for giving considerable publicity, the Chairman said that the TFAI was grateful to them for their cooperation in popularising this important event. A note of their suggestions to improve performance in future fairs had also been made. The All India Radio and TV authorities gave their unreserved cooperation and the introduction of experimental colour TV during the Fair deserved special mention.

Concluding, the Chairman observed that he would like to place on record the excellent cooperation received from various agencies. He expressed his thanks to the foreign governments and companies who took part in the Fair. He said that he was aware of their difficulties, but he sought their cooperation to make the Fair a big buying and selling centre. He hoped that they were taking with them an impression that an industrial economy was ready to extend its hand of cooperation to its counterparts from all over the world. He further added that he wanted Pragati Maidan to become a big business centre with a two-way flow in trade and commerce. He also thanked the Government of India Departments, different States and Union Territories, public sector undertakings and a host of private companies for their participation.

Indo-Uganda Commercial and Economic Relations Strengthened

With a view to giving further boost to bilateral trade exchanges, a new Trade Agreement between India and Uganda

was signed recently in New Delhi by Mr. Pranab Mukherjee, Union Minister for Commerce, Steel and Mines and Mr. J.M. Agiro-Omara, Uganda Minister of Commerce, on behalf of their respective Governments. The two countries have agreed to grant each other most favoured nations treatment in matters of exports and imports. The Agreement shall remain in force for a period of two years.

A Joint Committee consisting of representatives of India and Uganda will be set up for the effective implementation of the Trade Agreement. The Committee will meet on mutually convenient dates alternately in the capitals of the two countries.

The Trade Agreement indicates several items of export interest from India to Uganda. These are industrial plants and machinery, transmission towers and polls, steel structurals, spices, pepper, cardamom, oil cakes, cotton textiles and madeups and electronic items. The Agreement also lists several items of export interest from Uganda to India. These are timber and wood products, copper and copper alloys, cobalt, phosphates and super-phosphates.

The Agreement indicates that bilateral trade will be conducted in freely convertible currency through normal banking channels. It has also been agreed that India and Uganda will allow the organisation of trade fairs and exhibitions in each other's country for the promotion of bilateral trade.

India and Uganda are to cooperate and assist each other in economic, scientific and technical fields for mutual benefit. An agreement to this effect was also signed recently in New Delhi by the Minister of External Affairs, Mr. P.V. Narasimha Rao on behalf of India

and Dr. A. Picho Owiny, Minister of State for Foreign Affairs, on behalf of Uganda. The agreement, will be valid for a period of five years and could be renewed with mutual consent.

The two countries will work in establishing industries, including small scale industries and also the setting up of joint ventures. They will cooperate with each other in developing infrastructure industries like communication and transport.

The agreement stipulates that the two countries would cooperate with each other on developing tourism, trade, agriculture, exploration and exploitation of crude oil, natural gas and other mineral resources.

The agreement provides for the training of personnel, grant of scholarships and for the deputation of experts on economic, scientific and technical fields including the supply of equipment. Both the countries have agreed to extend cooperation in scientific research particularly in the field of medicine. They will also explore the possibilities of operating air services between the two countries. India has also agreed to give advance training in the country to Ugandan experts, scholars, scientists and administrators.

India and Uganda have also signed a memorandum of understanding in the field of agriculture. It has been decided that a team of experts from Uganda will visit India to hold detailed discussion on subjects of interest to Uganda. The memorandum was signed by Mr. R.V. Swaminathan, Minister of State for Agriculture and Rural Reconstruction on behalf of India and Dr. A. Piche Owiny, Minister of State for Foreign Affairs on behalf of Uganda.

Uganda has sought Indian cooperation in :

- (1) Development and expansion of irrigated agriculture and assistance with the development of techniques and equipment therefor.
- (2) Development of agro-based industries with integrated nucleus estate supported by out-growers co-operative schemes etc.
- (3) Production and processing of oil seeds such as soyabean, groundnut, sunflower, sesame, maize, rice, wheat and barley, and cashewnut.
- (4) Production, processing and packaging of horticultural crops such as tomatoes, cabbage, cauliflower, capsicum, eggplants, fruits, etc. specially for export.
- (5) Development of forestry and wood resources (including afforestation schemes); and promotion of industries based thereon.
- (6) Expansion of the sugar industry including the establishment of mini-sugar plants and utilisation of bagasse and Molasses in such area as production of pulp and power alcohol, etc.
- (7) Development of animal resources such as poultry, piggery, fishery, etc. and establishment of dairy-based products as well as production of animal feeds.
- (8) Development of bio-gas especially for use in rural and farming community.
- (9) Provision of technical assistance and expertise, inter-alia, in the

areas of development and research on tea, irrigation; forestry; and cooperatives.

Oil Collaboration between India and France

Indian public sector organisations and institutions in the oil and petrochemical fields and the French Petroleum Institute (IFP) and its associated and subsidiary organisations in France propose to reinforce their relations through identification of specific areas of cooperation in exploration, production and processing of hydrocarbons.

Following discussions between an IFP team led by its General Manager and a number of public sector organisations including the Oil and Natural Gas Commission, Oil India Ltd., Indian Oil Corporation, Hindustan Petroleum Corporation, Bharat Petroleum Corporation, Engineers India Ltd., Indian Petrochemicals Corporation Ltd. and the Indian Institute of Petroleum, a Memorandum of Understanding was recently signed to further examine potential areas of interest in which the Indian and French organisations could collaborate to mutual advantage. The Memorandum of Understanding was signed by Dr. S. Varadarajan, Chairman, EIL, on behalf of Indian public sector organisations in the petroleum sector and by Dr. J.C. Balaceanu, General Manager of IFP and leader of the French team.

According to the Memorandum of Understanding, future interests of the two sides could be in the exchange of personnel in research and development, improvement of equipment and capabilities in Indian research and investigative organisations, provision

of services and equipment for all oil and petrochemical activities, identification of joint research programmes and cooperation in projects in third countries.

The coordinators, Dr. R. Krishnamoorthy of EIL from the Indian side and Mr. H. Levi, IFP Director from the French side, have been nominated to arrange detailed discussions on behalf of their respective associated organisations for indentifying specific programmes and ensuring that these are pursued vigorously. Both coordinators will be assisted by groups of representatives of the concerned public sector organisations.

IFP, over the years, has established close links with many Indian public sector organisations and research institutions resulting in important scientific, technical and industrial collaboration in oil exploration, production, refining and petrochemicals as well as in the training of scientists and technologies. IFP and its subsidiary and associated companies comprise the largest independent research and technology groups in the world, financed largely by the French Government.

Indo-Netherlands Trade Trends

According to the latest available statistics of the Central Bureau of Statistics of the Netherlands for the period January to May 1981, the value of Indian exports to the Netherlands decreased to 139.129 million Dutch guilders from 161.320 million guilders during the same period in 1980, while the value of Indian imports from the Netherlands increased during the above period in 1981 to 245.479 million Dutch guilders from 183.738 million guilders in the same period in 1980. This is

revealed in an economic and commercial report of the Embassy of India, Hague.

As far as the Indian exports to the Netherlands during January to May, 1981, are concerned, there were no exports from India under the product groups refined petroleum products and sugar and honey which accounted for 16.473 million and 12.941 million Dutch guilders respectively during the same period in 1980. The other main product groups which showed decrease in value of Indian exports to the Netherlands are (the decreases are indicated within brackets)—cotton fabrics (6.059 million guilders), fish, fresh and preserved (3.098 million), textile yarn (2,782 million), undergarments of textile fabrics (1.901 million), hand tools (1.427 million), vegetable oils (1.445 million), fruit and nut (cashew-nut 1.370 million), synthetic organic dyestuff (1.278 million) and leather (1.029 million). Decreases in Indian exports were also noticeable in a few other product groups. The product groups which showed improvement during the period when compared with the same period in 1980 were (increases are indicated within brackets): —outer garments of textile fabrics for ladies, girls and infants (9.951 million Dutch guilders), oil-seeds (6.413 million), floor coverings (3.272 million), rice (1.933 million), organic, inorganic and heterocyclic compounds (1.592 million), footwear (1.386 million), textile made-ups (1.289 million) and meat (froglegs 1.094 million). Marginal improvements were noticeable in few other product groups also.

As far as the Indian imports from the Netherlands are concerned, the major items were fertilizers, refined petroleum

products, organic-inorganic and heterocyclic compounds and universal iron and steel plates and sheets.

Upswing in Exports of Basic Chemicals

The export items under the purview of Basic Chemicals, Pharmaceuticals and Cosmetics Export Promotion Council during 1980-81 marked up to an estimated Rs. 2,350 million as against Rs. 1,500 million in the previous year. The earlier target of Rs. 2,000 million having been surpassed was raised to Rs. 2,150 million but the final estimated figure were up to Rs. 2,350 million which when finally worked out to actuals, will round up to about Rs. 2,500 million.

As regards direction of exports during 1980-81, Europe both East and West together absorbed 60 percent of the total chemical exports. The share of East Europe increased from 24 percent in 1979-80 to 42 percent in 1980-81, while that of West Europe decreased from 27 percent in 1979-80 to 18 percent in 1980-81.

Among the East European countries, USSR takes the lion's share of exports. Out of exports worth Rs. 992.1 million to East European countries in 1980-81, USSR alone accounted for Rs. 980 million. The major trading partners in West Europe include France and UK, their individual shares being Rs. 118.8 million and Rs. 72.6 million respectively. The Generalised System of preferences provided by the European Economic Community countries have been greatly helpful in stepping up Indian exports of chemical products to these countries.

Exports to United States and Canada also recorded increase. Exports to Asian countries of which Iran, Sri

Lanka, Bahrain, Saudi Arabia, Japan and Thailand are India's major trading partners, remained steady. Among the African countries, Nigeria and Kenya continued to be the major importers of Indian chemicals, their share being Rs. 44 million and Rs. 20 million respectively.

Medicinal castor oil item continued to be the largest exchange earner. Exports of this item, amounted to Rs. 286.7 million. This item alone has contributed to more than 37 percent of the total exports of the Council.

The share of finished formulations also witnessed an appreciable increase, the being 47 percent as compared to 27 percent of last year, exports being Rs. 362.2 million as against Rs. 193 million during the last year.

Industrial Growth and Diversification

Easy Availability of HR Coils

The distribution of hot rolled coils of 5 mm and below to P and T fabricators, cold rolling units, wheel manufacturers and tube-makers etc., was being done by the Union Department of Steel in consultation with the Steel Authority of India Limited. In view of the improvement in production and easy availability of HR coils of 2.5 mm to 5 mm, it has now been decided to do away with the system of allocation. Tube makers and other consumers of HR coils should contact the nearest SAIL stockyard for their requirements of HR Coils. The present restriction on the supply of HR coils from domestic production for the manufacture of tubes for export has also been removed. In respect of

HR coils of thickness 2.5 mm and below the pattern of past allocation among the consuming units, will be maintained.

Stepping up Indigenous Oil Production

The Minister for Petroleum, Chemicals and Fertilisers, Mr. P.C. Sethi, told Rajya Sabha recently that over 16 million tonnes of crude oil was expected to be produced in the country during 1981-82. By the end of 1984-85, the Oil and Natural Gas Commission and Oil India Ltd. were together expected to produce nearly 30 million tonnes of oil, 4 million tonnes of oil equivalent of gas, which would be about 70 percent of the total requirement of hydro-carbons.

In order to increase production, the Government proposed to implement the accelerated production programmes in the Eastern region and offshore oil fields and also get more production from north Gujarat fields than what was originally contemplated, he informed. The Government also proposed to repair existing sick wells in on-land areas and put them again on production. It also intended to implement a number of enhanced recovery scheme to augment oil production.

The Minister further told that with the implementation of the programme for substantial increase in indigenous crude oil production, it was anticipated that the increase in domestic demand during the next 3 years will be largely met.

For the purpose of oil exploration in different parts of the country, the geological basin was now being considered as one unit of exploration

activity irrespective of whether or not the basin straddled across the coast line.

Exploration, the Minister said, will be aimed at specific geological objectives and the exploration strategy will be worked out for the basin as a whole.

Rise in Coal and Power Output Envisaged

The coal production will record a growth rate of 58 percent during the Sixth Five Year Plan. The production will rise from a level of 104 million tonnes in 1979-80 to 165 million tonnes in 1984-85, and will fully meet the demand of different sectors of economy. This information was given recently in New Delhi by the Union Energy Minister, Mr. A.B.A. Ghani Khan Choudhury, at a meeting of the Parliamentary Consultative Committee attached to his Ministry.

The steps taken to increase production include: introduction of modern technology, close monitoring of project implementation, timely supply of adequate inputs, training of personnel and creation of additional minning capacity. He said that these steps had already resulted in an upward swing in coal production. The output during the first seven months of the current financial year, April-October, went up by over 10 percent exceeding the initial target rate of growth of 6.14 percent fixed for the entire year, 1981-82. He said that looking to the increasing trend of production, the original target of producing 121 million tonnes of coal during the current financial year had been raised to 124 million tonnes. This works out to a growth rate of 8.77 percent for theyear; and even this target had been

exceeded by coal companies by achieving an increase of 10.1 percent during the first seven months.

The Minister further informed that the bulk of mining machinery and equipment was being indigenously procured. On an average only about 10 percent of the requirement was imported. Imports are resorted to only of equipment which is outside the range of production of indigenous manufacturers or where the full demand could not be met indigenously within the timeframe of production programme. The import content was expected to go down steadily in the coming years, he added.

The Minister disclosed that in order to introduce appropriate technology for coal mining in the country, coal industry had entered into collaboration with countries like UK, Germany, France, Poland and the Soviet Union. These agreements envisaged assistance in the field of mine planning and development, training of Indian personnel, deputation of specialists from these countries and procurement of specialised mining equipment for introduction of India.

The Minister further informed the members that alongwith the increase in coal output, coal despatches had also risen during April-October 1981 by 13.2 percent over the corresponding period last year. The coal loading had also improved significantly and in particular in the Western Coalfields Ltd. The average loading in the period April-October 1981 had been over 9,000 wagons per day as against 7,700 wagons per day in the same period last year. Coal despatches to all the major consuming sectors had also shown significant improvement. Despatches to the power sector have shown an

increase of about 27 percent, to the cement industry by 22 percent, and to steel plants by about 4 percent.

In regard to power sector, the Minister informed the members that power generation from the existing plants had gone up and total generation during April-October 1981 recorded a growth of 13.1 percent over the corresponding months last year, exceeding the target growth rate of 9.4 percent fixed for the whole year. The thermal generation during this period recorded a significant increase of 19.4 percent.

Regarding slippage in regard to power generating capacity, the Minister made it clear that Government would give preference to the indigenous suppliers but imports would be resorted to if the Indian suppliers failed to improve in regard to the delivery schedules and the quality of equipment. In regard to spare parts needed for maintenance of the power sets, the Minister informed that BHEL had reserved 10 percent of their manufacturing capacity for the production of spare parts and this, he hoped, would meet the demand for spares.

Regarding project management, the Minister said that detailed guidelines had been issued to the State Electricity Board and every effort was being made for timely completion of the power projects. He further told that efforts were being made to step up capacity utilisation of thermal plants and also to curtail the period of stabilisation of the new power plants. Elaborate guidelines in this respect have been given to the State Electricity Boards and Central teams had been visiting the thermal power stations with a view to tackling any problem being faced by the power plants.

As to the financing of super thermal power projects by World Bank, the Minister informed that credit of 1550 million dollars had been approved by the World Bank Group for the final installed capacities of 2000 MW at Singrauli, 2100 MW at Korba and for Stage I of 600 MW each at Ramagundam and Farakka. Negotiations were under way with the World Bank in Washington for finalising the credit for State II of Ramagundam Super Thermal Power Station of 1000 MW.

There was appreciation of the Government Policy to open coal dumps in the States and many members wanted that measures should be stepped up to open many more such dumps in the States.

Cement Industry Poised for Big Production

The production of cement during October, 1981 has been 1.84 million tonnes, which has been a record level of monthly production during the last few years. The current production level represents a capacity utilisation of 80 percent. It may be noted that the fresh capacities created during 1980-81 and 1981-82 which incidentally are substantially more than envisaged by the Working Group Industry, have contributed in a good measure to the increased production and with the fuller establishment of this newly created capacity and the all round improvement in the capacity utilisation of the industry, production is expected to increase further.

The anticipated production of cement during 1981-82 is 21 million tonnes as against the actual production of 18.56 million tonnes during 1980-81, registering a big increase of over 2.5 million tonnes in one year. The production

during the last few years has been stagnating around 18-19 million tonnes and a breakthrough in cement production in the country is around the corner.

Production in the first half of 1981-82 is already over 10 million tonnes and it is anticipated that production during the later half of the year will be around 11 million tonnes.

Distribution of Iron and Steel

The guidelines for distribution of iron and steel formulated by the Joint Plant Committee under the scheme for house builders etc. provide for release of steel items like bars, rods, torsteel and G. C. sheets to individual house builders and registered co-operative housing societies.

Individual house builders and registered co-operative housing societies have been placed in status category 'A' for the purposes of distribution of steel among the priority ratings of consumer groups. Lately SAIL has raised the maximum limit of supply of steel to 10 tonnes per applicant as against 5 tonnes previously.

It has already been decided to give a rebate of Rs. 50 per tonnes on the bars and rods on the first 5 tonnes for the individual low income group and middle income group house builders in order to encourage house building activities.

Computer Technology in Government Presses

An amount of Rs. 120 million will be spent during the next four years on modernising Government printing. This was disclosed in a recent conference, of heads of Government of India

Presses under the Ministry of Works and Housing.

The modernisation process will involve replacement of old and obsolete machines and introduction of the latest printing techniques. Special efforts will be made to augment the Hindi printing capacity.

A beginning has already been made to introduce computeraided photo-setting to replace hot metal composition. Conventional stereo plates are now being replaced by photo-polymer plates (nyloprint) for improving the quality of printing of forms required in very large numbers. Introduction of offset technology in the letter press units has also been initiated.

To keep upto the time schedules production norms for various machines have been evolved for the first time.

Consquent on the introduction of modern techniques in the presses retraining of workers who have so far been engaged on conventional letter press technology is being taken up.

Addressing the concluding session of the conference, Mr. Bhishma Narain Singh, Minister of Works and Housing, called upon the managers to avoid wastage, increase productivity and improve quality. The Minister's address was read by Mr. Mohammad Usman Arif, Deputy Minister of Works and Housing.

TCIL's Improved Performance

Telecommunications Consultants India Ltd. (TCIL), a public sector undertaking under the Ministry of Communications has declared a dividend of ten percent on the equity share capital this year. The year 1980-81 is the second full year of operation of

TCIL and as compared to the first year, the second year has recorded a phenomenal growth both in terms of turnover and profits. The turnover including the work in progress has increased from Rs. 14.22 million to Rs. 78.65 million and the profits increased from Rs. 1.24 million to Rs. 1.20 million.

TCIL has achieved a breakthrough in selling telecommunication expertise in highly competitive market of West Asian and African countries. Within a short period of three years, TCIL has expanded its services to a number of countries in Middle East viz. UAE, Oman, Kuwait, Iraq, Yemen Arab Republic, Jordan, Libya and Nigeria. Very soon the Company will be starting its activities in several other African Countries.

Marine Fish Production to Go Up

The Sixth Plan envisages a target of marine fish production of 2.2 million tonnes. Mr. R. V. Swaminathan, Union Minister of State for Agriculture gave this information to the Rajya Sabha recently.

Mr. Swaminathan also informed the House that to achieve the all India marine fish production target, various measures are being taken. Among these, the important ones are augmentation of deep sea fishing fleet through indigenous construction, import and charter of foreign fishing vessels. For indigenous construction of fishing vessels, the Government provides 33 percent subsidy on the cost of the vessels. For procurement of fishing vessels, soft loan at four and a half

percent interest is given through Shipping Fund Development Committee. A charter policy has been announced to enable the entrepreneurs to charter foreign fishing vessels to exploit untapped fishing resources.

The Minister added that the State Governments have various programmes including the programme for introduction of additional number of small mechanised boats in selected areas to increase production of in-shore fishing.

Major Role for Private Sector in Tourism Promotion

Mr. A.P. Sharma, Union Minister for Tourism and Civil Aviation, has said that the development of tourism in the country cannot be, and should not be, the main concern of the Government alone. The private sector will have to take on a major role in this field.

Inaugurating the "Workshop on Tourism" organised by the Federation of Indian Chambers of Commerce and Industry (FICCI) at New Delhi recently, Mr. Sharma said that the country has before it an ambitious task—that of creating the facilities and the infrastructure that would be needed to meet the requirements of 1.7 million tourists by 1985 and 3.5 million tourists by 1990. This was a real challenge before the country. Private sector should become a partner of the Government in meeting this challenge, the Minister said.

Mr. Sharma further said that an important item of this challenging infrastructure facilities was hotel accommodation. At present, 22,300 rooms were available in 363 hotels on

the approved list of the Department of Tourism as against the requirement of 50,000 rooms by 1985 and 73,000 rooms by 1980. With a view to augmenting domestic resources, the Government has also allowed foreign investment and collaboration in the hotel industry. The Minister said that with Rs. 5,000 million earned in 1980, tourism has become the fourth largest foreign exchange earning industry in the country. It was planned to make it the number-one foreign exchange earner in the current decade. It was towards this goal that the Government has adopted a new national approach and perspective plans are being drawn up for the development and promotion of tourism in the country over this decade.

Forest Wealth of India

Forests in India occupy 74.74 million hectares of land. This accounts for 22.68 percent of the total land area. According to Government policy, however, the area has to be 1/3rd of the total land area, and of this preferably 60 percent in the hills.

The entire heavily populated Indo-Gangetic plain starting in the West from Haryana running South-east and East through Uttar Pradesh, Bihar and West Bengal has hardly any forest. Similarly the Western Regions from the North at Punjab, through Rajasthan, Gujarat and parts of Maharashtra are densely populated but sparsely forested. The Central regions in Madhya Pradesh, Orissa and the North-east region of Assam, Arunachal Pradesh and Manipur have high percentage of land under forests. Madhya Pradesh has the largest area-15389 thousand hectares under forest followed by 6767.3 thousand hectares in Orissa, 6409.2 thousand hectares in Andhra Pradesh and 5139.2 thousand

hectares in Uttar Pradesh. Himachal Pradesh has 2119 thousand hectares and Jammu and Kashmir 2138.6 thousand hectares.

The two States of Haryana and Punjab have 163.7 thousand hectares and 242.8 thousand hectares respectively. Among the Eastern States, Arunachal Pradesh has the largest area, 5154 thousand hectares. Delhi has only four hectares of land under forest.

The State owns 95.8 percent of the forests and the balance 4.2 percent of the forests belongs to corporate bodies and private individuals.

As a result of various development programmes, river valley projects, rehabilitation of refugees etc., 4.32 million hectares of forest land has been lost between 1952 and 1979. While the emphasis in pre-Independence days was on conservation, more attention has since Independence been paid on wider afforestation on country-wide basis. Afforestation, conservation and social forestry are the three main planks of the forestry programme during the Sixth Plan. Incidentally the first ever Forest Legislation was enacted in 1865 when Indian Forest Act came into force.

Science and Technology

Use of Thorium Economically Viable

Dr. Raja Ramanna, Director, Bhabha Atomic Research Centre and Secretary, Department of Atomic Energy has expressed the hope that the technological hurdles for converting thorium into a fissile fuel for peaceful uses of this energy, would be overcome in the Breeder Reactor at Kalpakkam near Madras, when it is commissioned. Delivering this year's Dr. H. L. Roy Memorial Lecture at the Indian Insti-

tute of Chemical Engineers in Calcutta recently, Dr. Ramanna said, that the experience to be gained by the operation of Kalpakkam Reactor would help immensely to understand the problems concerning the use of thorium. India, he said had vast resources of thorium in the monazite sands of Travancore, but to use it as a direct fuel it had to be irradiated in nuclear reactor for conversion into fissile fuel. To make this conversion economic, some difficult technological steps have, however, to be overcome.

Dr. Ramanna told chemical engineers that thorium, converted into fissile fuel could be an important source of energy, and there are some merits in considering thorium as a fertile material in a fast-breeder reactor. He hoped that when Kalpakkam went into operation, valuable experience would be obtained for operating fast reactor power system, especially on safety, fuel fabrication and the technology of liquid metal coolant systems. It was also necessary to establish breeding ratios and doubling times in large reactors using thorium, and further examine the merits of using thorium in the pressurized heavy water reactors (PHWR) and take up physics experiments for studying the feasibility of non-fission methods of breeding U-233. Dr. Ramanna added that thorium was cheaper than uranium and was now being commercially exploited by Indian Rare Earths Ltd., a public sector undertaking, set up in 1952. Their plant at Alwaye yields over 700 tonnes of thorium concentrate annually. Recently, the Chemical Engineering Division of Bhabha Atomic Research Centre had perfected a direct solvent extraction process to produce nuclear grade thorium economically, he added.

Agricultural Research Lauded by European Delegation

India expects to export 500,000 tonnes of sugar this year. This was indicated by the Union Agriculture Minister, Rao Birendra Singh at a recent meeting with the visiting European Parliamentary Delegation. Rao Birendra Singh also informed the visitors that by the end of the century India plans to provide irrigation to 113 million hectares out of the total 170 million hectares of cropped area. He said that the Government laid the greatest emphasis on agricultural development. Of its developmental expenditure of Rs. 975,000 million in the Sixth Plan, as much as 25 per cent was earmarked for agriculture and irrigation.

The European Parliamentarians evinced keen interest in the price support policy, the dairy development programme under Operations Flood I and II, and the working of the research institutes. The members who earlier visited the Indian Agricultural Research Institute said that they were highly impressed by the work done there. They wanted to know what the European community could do to help the agricultural programme in India. Rao Birendra Singh said that on bilateral basis there could be greater collaboration between India and the European countries in setting up joint ventures and exchanging results of research in agricultural field. India would also be interested in fruit and vegetable processing and post-harvest technology.

Investment Facilities for Non-resident Indians

The facilities available to non-residents of Indian nationality or origin for

making investments in India are described in this article. Also explained are the facilities for sale of shares, securities and units, acquisition of immovable property and priority allotment of scooter, cement, etc.

Investment in Securities and UTI Units : Non-resident Indians are freely permitted to invest in securities of Central or any State Government (other than bearer securities), National Plan/Savings Certificates and units of Unit Trust of India by remittances from abroad or out of funds in their non-resident accounts in India. The Government securities can be freely sold on recognised stock exchanges in India. The UTI units can also be freely tendered for repurchase by UTI. Sale or maturity proceeds of these securities can be freely credited to the ordinary non-resident account in India of the investor. Repatriation of these proceeds is also allowed if the Reserve Bank is satisfied that investment was made by payment in foreign exchange. Interest/dividend on securities/units or maturity/sale proceeds thereof can be freely credited to the investor's non-resident external account provided the investment was originally made by debit to his non-resident account. The purchase/sale transactions are required to be arranged through an authorised dealer in foreign exchange in India. The Reserve Bank allows, on application, Government securities and National Plan/Savings Certificates to be exported to the holder. The Unit Trust has general permission to send the unit certificates to non-resident holders.

Portfolio Investment in Shares : Investment in shares quoted on stock exchanges (i.e. portfolio investment) by non-resident Indians is permitted by

the Reserve Bank on the non-resident investor furnishing an undertaking not to seek repatriation of capital invested and income earned thereon. The Reserve Bank also considers applications for general permission for such purchases of shares on stock exchanges. The shares so purchased are required to be deposited in safe custody with an authorised dealer in foreign exchange in India and their sale, gift and transfer requires the prior approval of the Reserve Bank.

Deposits with Companies in India : Non-resident Indians are permitted by the Reserve Bank to place their funds on deposit with - firms/companies in India, on condition that the deposits as well as the interest accrued thereon will not be allowed to be repatriated outside. The deposits are allowed subject to the deposit accepting company fulfilling certain requirements.

Direct Investment in Industry : Non-resident Indians are permitted to invest funds in public or private limited companies and partnership or proprietorship concerns in India, irrespective of the nature of their business, except where such business is of an undesirable nature. Such investments are normally allowed by the Reserve Bank on the investor giving an undertaking not to seek repatriation of capital invested and the earned thereon. The investment can be made by subscription to new issues or by purchase of existing shares.

The 20 Percent Scheme : Direct investments on repatriation basis upto 20 percent of the new equity issues of new companies engaged in a wide range on industrial activities are permitted. Applications for approval of the Reserve Bank for investments

under this Scheme are required to be made by the Indian company seeking to attract non-resident capital, together with a copy of the consent order of the Controller of Capital Issues, wherever applicable. The income from such investments, as well as the capital including any appreciation thereof, can be repatriated.

Investments on repatriation basis are not however permissible in the case of portfolio investments or new issues floated by existing Indian companies.

The 74 Percent Scheme : Investments upto 74 percent with full repatriation facility are permitted for starting industries listed in Appendix I to the Industrial Licensing Policy Statement of 1973. Investment in any other industry is also permitted provided the investor undertakes to export 60 percent of the output; 75 percent in the case of industries reserved for small-scale sector. Capital equipment can be imported from abroad for the proposed industrial venture within the quantum of foreign exchange invested by non-resident Indians. Under this Scheme, too, repatriation of capital invested and income or profits arising therefrom is allowed. Applications under the Scheme should be made to the Secretariat for Industrial Approvals in the Department of Industrial Development, Ministry of Industry, Government of India, New Delhi.

The 74 Percent Scheme is applicable only to new investments including expansion/diversification of existing industrial undertakings but not to portfolio investments. Investments under the Scheme may also be made in partnership firms.

Transfer or Sale of Shares : No transfer of shares by persons resident

outside India (including corporate bodies situated abroad) or by foreign nationals to other persons, whether resident in or outside India, is valid unless it is confirmed by the Reserve Bank. With the permission of Reserve Bank, non-resident Indians can dispose of their shares in Indian companies to the non-residents or residents. Permission for sale of shares to residents is freely granted. The sale proceeds cannot, however, be remitted abroad; these have to be credited to the ordinary non-resident account of the seller. The sale proceeds of shares acquired under the special schemes permitting direct investment on repatriation basis can, of course, be repatriated abroad.

Acquisition of Immovable Property : Citizens of India resident abroad can acquire immovable property in India without the permission of Reserve Bank. They can arrange with persons resident in India for realising rentals and making payments towards repairs, upkeep and taxes in respect of their immovable properties in India.

Persons of Indian origin holding foreign passports, whether resident or non-resident, require the permission of Reserve Bank for acquiring immovable property in India. They are normally allowed to acquire only one such property in each case for residential purposes if the Reserve Bank is satisfied that the valuation of property is reasonable, the purchase price is paid either out of funds remitted from abroad or from funds held in the purchaser's bank account in India and the applicant gives an undertaking that he will not ask for repatriation outside India of the sale proceeds of the property if sold at a later date or the income accruing thereon. The Reserve Bank considers

requests for acquiring a second residential house or flat for bonafide personal or family residence, on merits, provided the funds for its purchase are remitted in advance from abroad. In these cases also, neither the capital including capital gains nor the income derived from the property is repatriable outside India. Permission of Reserve Bank will have to be obtained for transferring or disposing of any immovable property in India by sale, mortgage, lease for periods exceeding five years, gift, settlement or otherwise.

Priority Allotment of Scooter, Cement etc. : Relatives in India of non-resident Indians and persons of Indian origin who have received foreign exchange from the latter for purchase of scooter or agricultural tractor or cement, as well as Indian nationals and persons of Indian origin who have returned to India from abroad and also those still residing abroad who have brought with them or remitted their saving in foreign exchange, are eligible for priority allotment of agricultural tractor, Chetak scooter and cement. Applications for such allotment should be supported by a bank certificate showing that foreign exchange sufficient to cover the cost of the scooter or tractor or cement applied for, has been brought into India or received/remitted by the applicant. Balances held in non-resident external accounts maintained in Indian rupee or in designated foreign currencies may be utilised in support of applications for priority allotment.

For further details, a bank authorised to deal in foreign exchange may be contacted.

Programme of Forthcoming Participations in Trade Fairs/Exhibitions Abroad

- | | |
|---|-----------------------------|
| 1. Khartoum International Trade Fair, (Sudan) | January 25-5 February, 1982 |
| 2. Indian Exhibition, Bahrain | February 1-10, 1982 |
| 3. Eastern Stoff Total Fashion Show, Osaka, (Japan) | February 4-9, 1982 |
| 4. Indian Exhibition, Nairobi, (Kenya) | March 12-21, 1982 |
| 5. Cairo International Fair, Cairo (Arab Republic of Egypt) | March 13-27, 1982 |
| 6. Indian Exhibition, (Algeria) | May, 1982 |
| 7. Indian Exhibition, Kuala Lumpur (Malaysia) | November, 1982 |
| 8. Indian Exhibition, London (UK) | November, 1982 |
| 9. Indian Exhibition, Mexico | May, 1983 |
| 10. Hannover International Fair, (FRG) | April, 1984 |

Programme of Forthcoming Specialised Commodity Fairs at Pragati Maidan

- | | |
|---------------------------------------|----------------------|
| 1. Handloom and Khadi Fair | December 22-31, 1981 |
| 2. Woollen Textiles and Knitwear Fair | December 22-31, 1981 |
| 3. Garments Fair | January 15-24, 1982 |
| 4. Carpet, Durees and Coir Fair | February 12-21, 1982 |
| 5. Furniture and Furnishings Fair | March 8-17, 1982 |

Further information can be obtained from the Manager (Exhibitions), Trade Fair Authority of India, Pragati Maidan, New Delhi-110001.

economic and commercial news

News Highlights

New Indo-Polish Trade Protocol

The trade protocol for 1982 signed between India and Poland recently in New Delhi provides for a total turnover of about Rs. 2800 million both-ways, indicating an increase of 20 percent over the provisions made for the trade protocol in 1981. The Protocol has been signed in terms of the provisions of the Trade and Payments Agreement of December, 1980. In order to diversify Indian exports to Poland, new items like surgical cotton, electric motors, steel pipes, industrial valves, v. belts etc. have been introduced.

New Indo-GDR Trade Protocol

A new trade protocol for 1982 concluded recently in New Delhi between India and German Democratic Republic, envisages a total turnover of about Rs. 2600 million bothways, marking up an increase of 15 percent over the provisions made for the trade protocol in 1981. It also envisages 23 percent growth in India's exports to German Democratic Republic. For the first time, allocations for exports of items like electronics components,

Export Performance and Potential

Promoting Industrial Cooperation between India and Indonesia

A high-powered delegation led by Mr. Pranab Mukherjee, Union Minister of Commerce, Steel and Mines, visited Indonesia recently to discuss trade and industrial relations between the two countries and cooperation in the field of steel and iron ore. The record of discussions signed by Mr. Mukherjee and the Indonesian Industry Minister, Mr. A. R. Soehoed, at Jakarta indentified new areas of possible cooperation and reviewed progress in implementation of memorandum of understanding of 1979 and agreed minutes in 1980.

India will be supplying iron ore pellets to Indonesia in exchange for sponge iron for local plants. Indonesia has agreed to import pellets from Kudremukh Iron Ore Company after its pelletiation plant is ready in 1984. Till then supply of pellets would be made from Mandovi plant in Goa. The National Minerals Development Corporation (NMDC) in the meanwhile entered into a contract for importing sponge iron from Indonesia.

During his visit, the Commerce Minister followed up the points raised during the recent visit of the Prime Minister, Mrs. Indira Gandhi, to Indonesia. Several possibilities of Indo-Indonesian collaboration in the economic field were discussed during the recent visit of the Prime Minister in Indonesia. The Indonesian side felt, that there was scope

sports goods, etc. have been provided. This protocol is in terms of the provisions of Trade and Payments Agreement of December, 1980.

High-Value Coffee Contract with USSR

The Coffee Board of India and M/s. V/O Sojuzplodoimport, Moscow, signed a contract at India International Trade Fair, 1981 held recently in New Delhi. Under this contract, the Coffee Board will supply 25,000 tonnes of green coffee to USSR during the year, 1982. This is a high-value contract worth nearly Rs. 500 million. USSR has been one of the single largest buyer of coffee and has been consistently buying Indian coffee during the last decade.

Contents

Export Performance and Potential

Promoting Industrial Cooperation between India and Indonesia	1
Handlooms and Woollen Textiles Fairs Opening at Pragati Maidan	3
Indo-GDR Industrial Cooperation	4
India Offers to Further Assist Zambian Railways	4
Indo-UK Double Taxation Avoidance Accord	5
Higher Chemicals Exports Urged	6

Industrial Growth and Diversification

Industrial Undertakings Achieve Higher Growth	7
Full Utilization of Steel Capacity Urged	7
MFL Plans Expansion	8
Foreign Exchange Savings through Import Substitution	8
Stress on Making SISI's Projects Feasible	8
Consortium Concept for Tourism Development	9
Improved Performance of Air Services	9
Increased Fertiliser Output—Main Plank of Agricultural Strategy	9

Science and Technology

Electronic Control Systems for Sugar Industry	10
Walnut Bleaching and Washing Machine Developed	11

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this journal.

for India to participate in the construction of a fertiliser plant in Indonesia on buy-back basis, supply of equipment and material from India in the energy sectors, formulation of feasibility reports on small scale industries, rehabilitation and development of sugar industry in Indonesia and participation in the establishment of power generation capabilities.

PT Krakatau Steel in West Java, Indonesia has a steel complex based on sponge iron—electric arc furnace route. With four modules, the capacity of their sponge iron plant will be about 2 million tonnes per year. The total requirement of the iron ore pellets for this plant at full capacity utilisation is estimated at about 3 million tonnes. In view of the geographical proximity, matching port capacities and other economic considerations, India is a natural and mutually advantageous source for supply of pellets to Indonesia. With the two pellet plants already installed and commissioned in Goa (Mandovi and Pale) and the third pellet plant of 3 million tonnes being but up at Mangalore (based on Kudremukh iron ore concentrate), India is also in a position to meet a peaceful substantial portion of the Indonesian requirement in this regard.

A series of negotiations have already been held between the Indonesian and Indian sides since February, 1979 when the idea of such supplies from India was mooted for the first time during the visit of Mr. A. R. Soehoed, Minister of Industries, Government of Indonesia in New Delhi in February 1979. Considerable ground in regard to technical specifications,

quantities, delivery schedules, etc., has already been covered during these negotiations. Mr. Mukherjee gave a final boost to these negotiations.

Linked with the proposal for supply of iron ore pellets from India to Indonesia, there is also the question of supply of sponge iron from Indonesia to India. India has a capacity of over 3 million tonnes in its electric arc furnaces, popularly known as mini steel plants. Metal scrap and power are two basic input materials for these plants. Sponge iron is an ideally suited material for use in electric arc furnaces as a replacement for metal scrap. It has been estimated that the mini steel plants in India can ultimately absorb 1-1.05 million tonnes of sponge iron. Indonesia has a sizeable surplus of sponge iron at present because the down-stream facilities in their plant have yet to come. India can, therefore, provide a suitable outlet for such surpluses for several years to come. India has, in fact, already imported about 67,000 tonnes of sponge iron from Indonesia. The performance of Indonesian sponge iron in India's mini steel plants has been found to be highly satisfactory. It is, therefore, proposed to import a further quantity of sponge iron from Indonesia by December, 1982.

A large number of the joint ventures projects in Indonesia also came up in the discussion. Already 12 Indo-Indonesian joint ventures projects are in production and four projects are under implementation. Of these twelve units, five were in the field of textile, two manufacturing of engineer-

(Continued at page 4)

Handlooms and Woollen Textiles Fairs Opening at Pragati Maidan

Close on the heels of India International Trade Fair, 1981 which was held successfully from November 14 to December 4, 1981, the Trade Fair Authority of India is organising a series of Specialised Commodity fairs. The first two of this series are the Handloom and Khadi Fair as also the Woollen Textiles and Knitwear Fair from December 22 to 31, 1981 at Pragati Maidan, New Delhi. These Fairs seek to project the increasing popularity and export potential of handloom and khadi products as well as woollen textiles and knitwears produced in India. These Fairs will be inaugurated by a master weaver on December 22, 1981.

The handloom industry in India is the oldest and the biggest cottage industry constituting a vital sector of the village economy next only to agriculture. It has a long tradition of excellence and unrivalled craftsmanship. The current handloom production in the country is over 2,900 million metres valued at about Rs. 12,000 million. It not only caters to the requirements of domestic market but also contributes to foreign exchange earnings in a substantial way. Indian handloom exports have exceeded Rs. 3,000 million annually which shows that these products are popular all the world over. Similarly, woollen textiles industry has the rich tradition of attractive designs, patterns, shades, colours and motifs. The estimated production of the industry during the year 1979-80 was 65 million kgs. including wool tops, shoddy yarn, worsted yarn and carpets; 25.64 million metres of wearable fabrics and

12.27 million kgs comprising non-wearable fabrics and hosiery items. Exports of various woollen items (excluding carpets) amounted to Rs. 772 million in 1980-81.

On display at these Fairs would be a variety of handloom, khadi and woollen goods of daily use. These would include cotton and silk sarees, ready-made garments, furnishings, bed covers, towels, dress material, dhoties, kurtas, children dresses, woollen and worsted fabrics, knitwears, blankets, shawls, etc. in colourful and captivating designs. An added attraction at these fairs would be special rebate on the sale of goods. The timings of the fairs are 2.00 PM to 8.00 PM on working days and 10.00 AM to 8.00 PM on holidays and Sundays.

These Fairs would be housed in the Fair Pavilion occupying an area of over 3,500 sq. mtrs. Out of this, the Khadi and Village Industries Commission, has an area of 400 sq. mtrs., while Wool and Woollen Textiles Export Promotion Council, has an area of 700 sq. mtrs. The rest of the areas has been allotted to various State handloom organisations. The participants include Haryana Handloom Weavers (Panipat), Assam Government Marketing Corporation (New Delhi), Tamilnadu Handloom Weavers' Cooperative Society (New Delhi), State Industrial Development Corporation (New Delhi), National Federation of Industrial Cooperatives (New Delhi), Delhi Pradesh Hath Kargha Bunkar Sangh, Phulkari Punjab Emporium (New Delhi), All Indian Handloom Fabrics Marketing Cooperative Society (Bombay), Rajasthan Bunkar Sangh (Jaipur),

West Bengal State Handloom Weavers Cooperative Society (Calcutta), Mysore Provincial Silk Handloom Weavers' Cooperative Society (Bangalore), Karnataka State Silk Handloom Weavers' Cooperative Society (Bangalore), Karnataka State Handloom Corporation (Bangalore), Punjab State Handloom and Textiles Development Corporation (Chandigarh), Punjab Handloom Weavers Apex Cooperative Society (Chandigarh), Madurai Sungadi (Tie and Dye) Women Workers' Cooperative Cottage Industrial Society (Madurai), Madhya Pradesh State Textile Corporation (Bhopal), Manipur Handloom and Handicrafts Development Corporation (Imphal), Tripura Industries (Agartala), Orissa State Handloom Development Corporation (Bhubneshwar), Andhra Pradesh Handloom Weavers Cooperative Society (Hyderabad), M.P. State Handloom Weavers Co-operative Society (Jabalpur), Rajasthan Handloom Project Board (Jaipur), Rajasthan Small Industries Corporation (Jaipur), Development Corporation of Vidarbha (Nagpur), U.P. Industrial Co-operative Association (Kanpur), Department of Silk Industries, Mudigundam (Kollegal Taluk), Jammu and Kashmir State Handloom Development Corporation (Srinagar), Pondicherry State Weavers Cooperative Society (Pondicherry), U.P. State Handloom Corporation (Kanpur), Haryana Small Industries and Export Corporation (Chandigarh), Himachal Pradesh Handicrafts and Handloom Corporation, and Bihar State Handloom and Handicrafts Corporation. Besides these, Khadi and Village Industries Commission and Wool and Woollen Textiles Export Promotion Council are also participating.

(Continued at page 11)

(Continued from page 2)

ing items like steel files and steel furniture and other producing steel items, paper, pharmaceutical, dyestuff and edible oils.

The Project Equipment Corporation has also signed a contract for the turnkey execution of a cement plant in Indonesia. During the visit of the the Commerce Minister, discussion on further cooperation in this field came up.

India's exports to Indonesia during 1979-80 were worth Rs. 526.7 million as compared to India's imports from Indonesia worth Rs. 199.4 million during the same period. In the first half of 1980-81, India's exports and imports with Indonesia were worth Rs. 161.7 million and Rs. 55 million, respectively.

India and Indonesia have concluded a trade agreement on June 3, 1973 to facilitate expansion of trade. This was an MFN type of agreement and provided, among other things, that both the Governments would consult each other in respect of any question in connection with the trade between the two countries. The main items of imports into India from Indonesia have been palm oil, cement, urea and white printing paper. Exports from India to Indonesia have been mainly of sugar and engineering products.

India's import of palm oil have consisted so far mainly of crude palm oil. The imports are canalised through the State Trading Corporation of India. In 1980-81, the STC imported crude palm oil worth Rs. 12.5 million. The STC also imported cement from Indonesia during 1979-80 and 1980-81 to the tune of Rs. 81.9 million and

Rs. 38.6 million respectively. STC has imported white printing paper from Indonesia during the years 1979-80 and 1980-81, the value of imports being Rs. 81.3 million and Rs. 85 million respectively. MMTC has been importing urea and tin from Indonesia.

The export of sugar to Indonesia has been canalised through the State Trading Corporation of India. India has also exported a variety of engineering goods to Indonesia. Indian engineering exports to that country were worth Rs. 173.3 million in 1979-80 as compared to Rs. 137.5 million in 1978-79. The exports for 1980-81 have been provisionally Rs. 160 million. India's major engineering items for exports are hand tools, small and cutting tools, transmission line towers, M. S. pipes, tubes and fittings, electric power generating machinery, sugar mill machinery, jute and textile mill machinery, machine tools, diesel engines and parts, bicycles and parts, automobiles and auto parts, rolling mill machinery and industrial machinery.

Indo-GDR Industrial Cooperation

India and German Democratic Republic have agreed to pursue the possibility of cooperation in the field of lignite mining and processing in Rajasthan and Gujarat, container transshipment equipment, railway slewing cranes, high voltage ceramic insulators, cable industry, metallurgical equipment, cement plants, etc.

The Indo-GDR Joint Commission on economic, scientific and technical cooperation has presently within its

scope a large number of projects of industrial cooperation. There are several important on-going projects of cooperation with GDR in the field of manufacture of machine tools, textile machinery, high voltage testing equipment, copper clad laminates and copper foils etc. There is also project for the manufacture of dairy machinery by M/s. HMT in collaboration with a GDR firm. The cooperation between India and GDR has extended to third country markets too for which collaboration agreements have been signed by firms on both sides.

At the end of visit to India by a high level delegation from GDR led by Mr. W. Keil, Deputy Minister of Heavy Engineering and Plant Construction, a record of discussions was signed recently by Mr. W. Keil, Deputy Minister of GDR and Mr. D. V. Kapur, Secretary, Department of Heavy Industry. Both sides expressed satisfaction on the discussions which took place in a friendly and constructive atmosphere.

India Offers to Further Assist Zambian Railways

The Union Minister for Railways, Mr. Kedar Panday, recently assured the delegation headed by the Zambian Minister for Power, Transport and Communications, Mr. Rajah Kunda, that India was ready to extend all cooperation to Zambia in the field of railway construction, modernisation of workshop and training of railway personnel.

The visiting Zambian delegation which paid a visit to India on the invitation of Mr. Panday, had talks with the Ministry of Railways for the financing

and construction of 19-kilometre railway line between Chipata (in Zambia) and Mchinji (Malawi), training of Zambian personnel, modernisation of railway workshop and the acquisition of coaches and locomotives for Zambian Railways. The delegation's visit was in terms of a protocol for closer technical cooperation in the field of railways signed in June this year, when the President of India, Mr. N. Sanjiva Reddy, visited Zambia.

Mr. Panday said that India was already assisting the Zambian Railways in various fields and she was prepared to extend the scope of this cooperation. Indian Railways had been in the forefront in extending cooperation to the developing nations in Africa, Middle-East and South-East Asia in the field of railway technology, he added.

The Zambian Minister expressed his profound thanks to the Government of India for a very warm reception accorded to his delegation. He said that both Zambia and India had a common past and belonged to the non-aligned group of nations. The Prime Minister of India Mrs. Indira Gandhi, was the leader of the non-aligned movement. About the co-operation in the field of railways, he said that Zambia was short of trained railway personnel. He spoke highly of the advanced technology developed by the Indian Railways which was witnessed by him at the railway pavilion at the India International Trade Fair, 1981. It was of great educative value for his delegation, he added. He praised the Railway Transport Museum and said that he would recommend the setting up of such a museum in his country also.

Apart from holding talks for the

construction of the Chipata-Mchinji line, the delegation also discussed the modalities of acquisition of coaches and locomotives from India. For modernisation of workshop, an agreement between the Rail India Technical and Economic Services (RITES) and Zambia was signed on August 19 this year. RITES is already engaged in preparing a report on the modernisation project.

The Chairman of the Railway Board, Mr. M.S. Gujral, who was also present at the meeting, said that details of training facilities for Zambian personnel and cooperation between the two countries in other areas would be worked out soon with a view to having long-term arrangements. There would be no difficulty in sending a team of specialists from the RITES to Zambia to evaluate the locomotives that Zambia was planning to acquire, he said.

Indo-UK Double Taxation Avoidance Accord

A Convention for the avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income and capital gains has been entered into between the Government of India and the Government of United Kingdom and has been notified in the Official Gazette of November, 1981,

Under the Convention, business profits derived by an enterprise will be charged to tax only in the country of its residence unless the enterprise carries on business in the other country through a permanent establishment, in which event, the profits which are attributable to that permanent establishment, may be as taxed in that other country.

Income derived from the operation of aircraft in international traffic will be taxed only in the country of taxpayer's residence. Income from the operation of ships will be taxed only in the country of taxpayer's residence unless the income arises during the first 10 years for which the Convention has effect, in which case the income may be taxed in the country from which it is derived. However, for the first five years the tax charged in the country of source will be limited to 50 percent of the tax which would have been charged in the absence of the Convention and for the next five years, to 25 percent of such tax.

The convention provides that where a United Kingdom company pays a dividend to a resident of India (other than to a company which controls 10 percent or more of the voting power in the paying country), the recipient will, subject to certain conditions, receive the tax credit to which an individual resident in the United Kingdom in receipt of dividend would be entitled, less tax at a rate not exceeding 15 percent on the aggregate of the dividend and the tax credit. In the case of a dividend paid by an Indian company to a resident of the United Kingdom, the tax charged in India will not exceed 15 percent where the dividend is paid in respect of a new investment made after October 21, 1981, that is, the date with effect from which the Convention has come into force.

The rate of tax to be imposed in the country of source on interest paid to a resident of the other country in respect of a loan first made after October 21, 1981 will, in general, not exceed 15 percent of the gross amount

of the interest. In the case of interest paid to a bank, the rate of tax in the country of source will not exceed 10 percent irrespective of the date of the loan was made. Any interest paid to the Government, or a local authority, of either country will be exempt in the country of source.

The rate of tax in the country of source on royalties and fees for technical services flowing to the other country in respect of rights first granted, on contracts first signed after October 21, 1981 will not exceed 30 percent.

Income from immovable property may be taxed in the country in which such property is situated. Capital gains may be taxed by either country in accordance with its domestic law.

Governmental remuneration and pension will normally be taxed by the paying Government only. The remuneration of visiting teachers and certain payments made to certain visiting students and trainees will, subject to certain conditions, be exempt for specified periods in the country visited.

Where a particular income is taxable in both the countries, relief from double taxation will be given by the country of the taxpayer's residence. The credit to be given in the United Kingdom for tax payable in India is to include credit for tax spared under certain specified provisions of the Indian law.

The Convention also provides for exchange of information or documents for the prevention of fraud, or the administration of statutory provisions against legal avoidance in relation to taxes which are subject of the Convention,

The Convention will have effect in India, in respect of income arising in any previous year beginning on or after April 1, 1981.

Higher Chemicals Exports Urged

Starting from a level of Rs. 200 million in 1965-66, India's exports of chemicals and allied products recorded a fourfold increase during the next decade, touching a level of Rs. 870 million in 1975-76. This trend was maintained and in the five years between 1975-76 and 1980, the export figure touched Rs. 1730 million.

This was said by Mr. Khurshed Alam Khan, Minister of State for Commerce, on the occasion of the twenty third annual general meeting of the Chemicals and Allied Products Export Promotion Council, recently in New Delhi. The Minister also distributed the Council's export awards for the year 1980-81.

He also pointed out that although the export performance in respect of the Council's items during the first half of the current financial year was more than 15 percent higher than the corresponding period in the last year, it was below the *pro rata* target for the first six months of 1980-81. He urged the exporters to give serious consideration during their deliberations to the ways and means by which the export targets and the desired export performance could be achieved.

The Minister said that the Government was aware of the various constraints faced by the industry and it had already initiated action on a number of these problems. He announced that the Commerce Ministry had constituted a Working Group with the

representatives of all the concerned Departments to look into the problems of exporters of rubber manufactured products in relation to the natural rubber Subsidy Scheme. The Working Group was considering all the problems in an integrated context, and the outcome of its deliberations would be known very shortly.

Mr. Khan said that schemes for priority allocation of wax to exporters of boot polish and cement to exporters of mosaic and torazzo tiles had been in force for quite some time. The difficulties faced by exporters in regard to the operation of the schemes were taken up with concerned Departments from time to time, when the Commerce Ministry was apprised of these problems. As regards the priority allocation of wood and timber for the export production of wooden furniture, the Ministry was anxious to formulate a scheme in consultation with the Ministry of Agriculture.

The Minister pointed out that some other problems faced by exporters, such as the request for the facility of duty free import of certain raw materials required by the glass industry and enhancement of the time limit for packing credit from 90 days to 180 days in respect of certain products covered by the Council, were under the active consideration of the Government. The various suggestions which had been made with reference to the import policy would be kept in view while formulating the import policy for the coming year, he added.

The Minister remarked that the CAPEXIL had a good record and had exceeded the export target quite a few times in the past. The non-achievement of the target last year should

not demoralise the exporters but instead spur them on to make greater efforts to achieve and exceed the target of Rs. 2350 million for this year, he added.

The Minister said that the export potential for chemicals and allied products was vast and there was great scope for achieving a rapid increase in their exports. All efforts should be made to introduce new export products, explore new markets and develop the potentialities of the existing markets. Most of the export products being looked after by the Council were non-traditional items of export in which the production was predominantly in the small scale sector. Most of these products were also labour-intensive in character and, therefore, would afford more employment and economic opportunities. He added that increased exports of chemicals and allied products thus fitted in very well with country's overall social and developmental priorities and the exporting community and the Council should strive to augment export efforts in this sector.

Industrial Growth and Diversification

Industrial Undertakings Achieve Higher Growth

Total production of public sector undertakings under the Union Department of Industrial Development during the first six months of the current year (1981-82) was valued at Rs. 131.82 million, 93.67 percent of the target of Rs. 1407.11 million. This was 37.42 percent higher than the production of Rs. 959.21 million in the corresponding period last year.

Production by Hindustan Paper Corporation Ltd. was of the order of

Rs. 44.81 million, 85.98 percent of the target of Rs. 52.12 million and 128.06 percent higher during the period under review than the production worth of Rs. 19.65 million in the corresponding period last year.

Production by National Instruments amounted to Rs. 15.34 million, 102.42 percent of the target of Rs. 15.12 million and 31.85 percent higher than the production of Rs. 11.63 million in the corresponding period last year.

The production both at Kota and Palghat units of Instrumentation Ltd. increased to Rs. 114.23 million, 112.05 percent of the target of Rs. 102 million, an increase of 17.12 percent from the production worth Rs. 97.01 million.

The aggregate production during the first six months by National Newsprint and Paper Mills Ltd. totalled Rs. 129.18 million, 104.62 percent of the target of Rs. 123.48 million and 106.14 percent higher than the production of Rs. 62.67 million in the corresponding period last year.

Likewise, the production during the period by Tannery and Footwear Corporation of India Ltd. was worth Rs. 23.82 million, 78.32 percent of the target of Rs. 30.41 million and 35.06 percent higher than the production of Rs. 17.64 million in the corresponding period last year.

Sixteen manufacturing public sector undertakings under the purview of the Department of Heavy Industry, achieved a total production of Rs. 7262.7 million during the first seven months of 1981-82 i.e. April-October 1981 being 90 percent of the target of Rs. 8082.6 million. This is 22 percent higher than the production of Rs. 5955.5 million achieved during April-October 1980.

Production by Lagan Jute Machinery Co. Ltd. (Lagan Jute) amounted to Rs. 43.6 million during the period under review, being 111 percent of the target of Rs. 39.4 million and 104 percent higher than the production of Rs. 21.4 million achieved during the corresponding period last year.

Production at Bharat Brakes and Valves Ltd. (BBVL) during April-October 1981 was Rs. 21.9 million, 96 percent of the target of Rs. 21.2 million and 35 percent higher than the production of Rs. 15.0 million achieved during April-October 1980.

Production at Bharat Wagon and Engineering Company Ltd. (BWEL) during April-October 1981 was Rs. 48.4 million, 95 percent of the target of Rs. 51.1 million and 112 percent higher than the production of Rs. 22.8 million achieved during the same period last year.

Full Utilization of Steel Capacity Urged

The Union Minister for Steel and Mines, Mr. Pranab Mukherjee, stressed the need for full utilization of the capacity of each steel plant. This will greatly help to increase the production in all the steel plants and thus achieve the target, he said.

The Minister was addressing the meeting of the Chief Executives of Steel Authority of India Limited (SAIL) recently at New Delhi. The meeting was attended by the Chairman, SAIL, Managing Directors of all the steel plants, Metallurgical and Engineering Consultants (India) Limited (MECON)

and Hindustan Steelworks Construction Limited (HSCL). The meeting was called by the Minister to review the performance of all the steel plants.

The Minister urged the executives to fully assess the market requirements of each item and gear up production accordingly. This will give better financial results. He said that while he laid greater stress on increasing production, the quality of each item produced, must be maintained. He further said that he was fully aware of the increasing production cost and if the situation so warrants, a part of it can be passed on to the consumer but the standard of the quality must be maintained.

Mr. Mukherjee said that he was fully aware of the operation constraints and other problems such as short supply of power, raw material, transportation, these problems have to be sorted out by mutual efforts of all the concerned authorities. He hoped that all efforts will be made to improve the performance of each steel plant.

MFL Plans Expansion

The Madras Fertilizers Limited (MFL), a public sector company with 51 percent shares held by the Government, has proposed setting up of additional ammonia and urea plants to double their existing capacity of 750 tonnes of ammonia and 885 tonnes of urea per day. The Company's proposal is based on the availability of naphtha from the Madras Refineries Ltd. which is being expanded from 2.8 million tonnes per year to 5.6 million tonnes per year. The MFL, achieved the best ever production in 1980-81 and has declared a 35 percent dividend for the

last financial year. The MFL, which went into commercial production in November 1971, has been consistently making profits since 1973-74 and has been declaring dividend to its shareholders since 1975-76.

The Company has been providing technical services to the State Fertilizer Manufacturing Corporation (SFMC) of Sri Lanka under the management contract and since September this year has been independently running the plant after the general contractors, M/s Kellogg Overseas Corporation personnel left the project on completion of the performance guarantee tests.

MFL has also been approached by Technip to assist them in revamping a 1000 tonne capacity ammonia plant in Algeria. The current negotiations between MFL and Technip envisage providing technical manpower and transfer of know-how.

Foreign Exchange Savings through Import Substitution

The Union Minister for Industry and Labour, Mr. Narayan Datt Tiwari presented shields to the winners of the import substitution awards at New Delhi recently,

The awards consisting of two Gold Shields, three Silver Shields, nine Bronze Shields and fifteen Certificates of Merit were presented to the various manufacturers including public sector units. The 29 awardees, it is estimated, would save foreign exchange to the extent of Rs. 134.5 million per year.

The award, meant to recognize and promote import substitution efforts,

are announced twice a year, viz. on the eve of Independence Day and Republic Day. The applications for such awards are to be submitted to the Member Secretary, Board of Awards for Import Substitution, DGTD, Udyog Bhawan, New Delhi by May 31, for the Independence Day Awards and by November 30 for the Republic Day Awards.

A total of 109 awards have so far been given since 1974 when the scheme for import substitution awards was transferred from National Research Development Corporation to the Directorate General of Technical Development. The selection of the winners is made by the Board of Awards for Import Substitution which comprises leading industrialists, scientists and technologists and is headed by Secretary (Technical Development), Union Ministry of Industry.

Stress on Making ISI's Projects Feasible

The Union Minister for Labour and Industry, Mr. N.D. Tiwari said that the promotion of small enterprises was based not on sentiments but on sound economic logic. They contributed a substantial share in terms of production, offer opportunities of employment, exports a favourable capital output ratio, utilisation of abundant local and human resources and a fair and equitable distribution of wealth and incomes. This was stated by Mr. Tiwari while delivering the valedictory address at the meeting of senior officers of Small Industries Development Organisation (SIDO) recently in New Delhi.

The Minister asked the officers to review project profiles in all the Small

Industries Service Institutes to make them really feasible, whether costs were updated and whether these projects were suitable in respect of raw material, infrastructure, marketing etc. for the areas which were recommended. These inputs had to be made available to the DICs who were primarily responsible to put them across to the potential entrepreneurs. He emphasised the need to concentrate upon developing industries in the interior areas and give special consideration to the backward areas.

He further said that the Government had launched a conscious programme of the development and promotion of small industries with the first Five Year Plan. A large infrastructure both at the Centre and States has been established. Credit on liberal and in some areas on concessional terms was available, and assistance in various forms was also available.

Referring to ancillary industries, the Minister said that inter-departmental teams had been set up to identify items which could be taken up by ancillary units; plant level committees had been asked to work out the details of ancillary development programmes and 25 broad group of industries had also been identified for intensive development.

He suggested that the training programmes should be increased in all possible ways. It should, however, be ensured that the quality of the programmes did not suffer. Entrepreneurial development required attention of every individual.

In regard to sickness in the small scale industries, the Minister observed that raw material management and pro-

cedures of Government organisations for inspection and control required special attention.

Consortium Concept for Tourism Development

Dr. B. Venkataraman, Secretary, Union Ministry of Tourism and Civil Aviation has called for a consortium concept for the overall development of tourism in the southern region.

Dr. Venkataraman suggested the setting up of a standing committee of tourism Ministers to discuss matters of mutual interest. He commended the idea of chartering flights to different tourist centres in the South and added that Indian Airlines could spare one or two aircrafts exclusively for this purpose.

Dr. Venkataraman said about Rs. 30,000 million were expected to be spent in the tourism industry in the next ten years.

There were good prospects of attracting more tourists from Sri Lanka and Australia. The Government, therefore, intended to allow Indian tour operators to go to Sri Lanka and negotiate with Scandinavian tour operators there for arranging chartered flights to the South, he said.

Dr. Venkataraman said the Central Government would meet half the expenditure to set up sound and light shows at tourist centres. The centre would help the States for developing kangaroo safari parks and bird sanctuaries. He also suggested to develop Dharmashalas with dormitory type accommodation in pilgrim centres with the help of the Bharatiya A was Vikas Samiti.

Improved Performance of Air Services

Air India has earned a net profit of Rs. 31 million as against the budgeted profit of Rs. 12.2 million for April-September, 1981 period. During the corresponding period of 1980, the Corporation had suffered a loss of Rs. 171.6 million. Indian Airlines has also earned a net profit of Rs. 3.7 million during April-September, 1981 as against a net loss of Rs. 61.7 million during the corresponding period last year.

The turn-over of ITDC during the first two quarters of the current year is of the order of Rs. 135.5 million as against Rs. 121.5 million in 1980-81. The operating profit during the corresponding period has also increased from Rs. 19.5 million in 1980-81 to Rs. 23.4 million in the current year. ITDC is now going in a big way for joint venture projects in collaboration with the State Governments for setting up hotels.

During January—September, 1981, a total of 601,319 international tourists visited India, thereby recording an increase of 7.2 percent in tourist arrivals over the corresponding period of last year.

Increased Fertiliser Output—Main Plank of Agricultural Strategy

Addressing the annual seminar of the Fertilizer Association of India recently in New Delhi, the Union Agriculture Minister, Rao Birendra Singh said that fertilizer was the main plank of country's strategy for achieving higher productivity in agriculture.

He noted that the country would have to play a vital role in meeting the world demand for foodgrains. He added that in 1990 foodgrains requirement of the food deficit States were estimated to reach 120-140 million tonnes against about 16 million tonnes in 1978. The demand of the developing countries also was likely to increase from 617 million tonnes in 1977 to 846 million tonnes by 1990. The requirement for growing population by the end of the century had been estimated as 225 million tonnes against the production of about 13 million tonnes in 1980-81. It would, therefore, be necessary, to increase the productivity of the soil. Rice productivity would have to be about 2.5 tonnes per hectare in 200 AD against 1.2 tonnes in 1975-76. Similarly the productivity of wheat would have to be 2.8 tonnes per hectare against 1.4 tonnes in 1975-76.

This could be done through greater use of fertilisers. By 1989-90 consumption of fertiliser would have to go up to 14 million tonnes of nutrients from the present level of 5.60 million tonnes and targetted consumption of 9.65 million tonnes of nutrients by the end of the Sixth Plan. The indigenous production in 1984-85 was likely to be of the order of 5.87 million tonnes and 10.27 million tonnes by 1989-90. The balance would have to be met out of imports posing a great challenge to all involved in fertiliser production, marketing and production. He wanted that manufacturers should make all efforts to ensure that their outlay network penetrated not only up to block level but also upto village level.

As to the distribution margin, the Minister said that recently about 22 percent increase had been allowed. An indepth study had already been instituted and the matter would further be examined on receipt of the report. In any case, he said, the Government agreed that adequate distribution margin should be allowed.

Another important aspect which needed attention was the quality of fertilisers. Adulterated and sub-standard fertilisers might affect the soil productivity as well as economy of the farmers.

Referring to the prices of fertilisers, the Minister said that it was the policy of the Government to make fertiliser available at prices as low as possible. He pointed out that fertiliser in India was highly subsidised with the subsidy having gone up to Rs. 5,000 million in 1980-81 against Rs. 1,060 million in 1976-77. Fertiliser was a costly energy-intensive input and had to be used most judiciously. He urged that relevant fertiliser technology should reach the farmers.

Rao Birendera Singh said that extensive research was also required in agriculture in the rain-fed areas. It was observed, about 4 million tonnes of fertilisers were used for cash crops, irrigated crops, like wheat, rice, sugarcane, cotton, etc. Hardly, one million tonnes of nutrients were available for about 100 million hectare of cropped area in rainfed farming conditions.

Science and Technology

Electronic Control System for Sugar Industry

The Central Electronics Engineering Research Institute (CEERI), Pilani,

initiated studies in 1978 for exploring the possibility of introducing electronic instrumentation and control systems for two of the most critical operations in sugar industry, viz. juice clarification and pan boiling. National Sugar Institute, Kanpur, was associated with the sugar technology aspect and testing of the instrumentation.

Sugar industry is one of the major industries in India comprising nearly 300 sugar factories and providing sugar not only for internal consumption but also for export. Production of good sugar in a factory comprises nearly fifteen critical operations from the weighing of sugarcane to the weighing and bagging of sugar (final product). In order to increase the recovery and production rate of sugar, with additional advantage of improved quality and less processing losses, electronic instrumentation and control systems play an important role, specially in the following stages of production: (i) cane cutting and transportation; (ii) cane and juice weighing; (iii) automatic cane feed control; (iv) juice clarification; (v) temperature measurement and control; (vi) pan boiling operation; (vii) measurement of brix; and (viii) centrifuging.

In the juice clarification stage, the automatic liming and pH control instrument continuously measures the pH of the sulphated juice and controls the rate of flow of milk of lime so as to keep pH close to an optimum set value for clarification of juice. Such an accurate control of pH of sulphated juice (70 ± 0.1) results in improvement in mud setting rates, reduction in CaO/MaO in clarified juice and rise in the pole content in the clarified juice. The CEERI-Panometer for pan boiling

stage monitors the ac resistivity of the boiling sugar massecuite in the pan. The trials of these instruments in commercial factories have indicated improvement in fuel economy by the reduction of the boiling period by about 25 percent, uniformity in crystal size and reduction in sugar losses.

In view of increasing internal price of sugar and the need for increasing productivity, fuel efficiency and quality standardization, it is expected that the new electronic instruments and control systems will be developed for all manufacturing operations.

Walnut Bleaching and Washing Machine Developed

According to the Regional Research Laboratory (RRL), Jammu, it has developed a walnut bleaching and washing machine, which was demonstrated recently at Srinagar before a large number of Government officials, walnut traders and exporters who were invited to witness this demonstration. The walnut traders and exporters were highly impressed by performance of this machine and several companies dealing in walnuts wanted to buy the machine on the spot. A firm has been supplied with design of the machine. It has agreed to undertake fabrication of additional units required by the traders and exporters of walnuts in Jammu and Kashmir State.

Walnuts when harvested on maturity and stripped of their green hull, are not acceptable in this condition to the importing countries. There is a price differential of Rs. 2,000 per tonne as a result between bleached and unbleached walnuts. The walnuts are,

therefore, subjected to a process of washing and bleaching to improve the shell appearance. This is done manually at present. The existing practice is slow, cumbersome and the product obtained cannot compete in the international markets as walnuts of better shell appearance have appeared in those markets. In order to solve this problem being faced by walnut industry, RRL carried out research and development work on the following lines :

- (i) Development of better bleaching chemicals.
- (ii) Design of a machine which can not only process walnuts faster but also give better quality product. Mechanisation is even otherwise desirable as walnuts are harvested in the months of September-October and as per supply dates usually committed by exporters the walnuts reach European market before Christmas.

The present machine has been developed as result of RRL's efforts. It is believed that adoption of this technology will not only help the walnut trade but also the country to improve its export performance by better competition in the world markets.

(Continued from page 3)

For the recreation of the visiting public, daily cultural programmes suiting different tastes had been arranged in the various theatres at the fair grounds. These comprise cultural shows of popular appeal in the open-air Hamsdhwani Theatre by reputed artiste groups in the realm of dance, drama, plays and ballets. Another open-air theatre, namely, Kadambari in the Village Complex would present programmes of folk interest. The open-

air theatre Falaknuma would present solo performances. Art films in Hindi would also be screened daily at the Shankutalam theatre. There would be popular feature films in other theatres, besides weekend cultural shows by renowned artistes in the Shakuntalam Theatre. Other attractions at Pragati Maidan are Science Museum, Nehru Museum, Defence Pavilion, Craft Museum in Village Complex, audio-visual programmes on 'Symphony of Industry' and 'Testament of Nehru' in Our India Pavilion as also Skating Rink, mini train and puppet and magic shows for children.

A group of restaurants spread over Pragati Maidan offer a variety of Indian cuisine suiting the culinary tastes of visitors. The Phoolwaari, Jhatpat and Host restaurants serve snacks, tea, coffee, lunch and dinner of all varieties. The Woodlands restaurant in the Anarkali Bazar offers popular South Indian foods like idli, dosa, vada, etc. The Qutab restaurant in the Meena Bazar serve mughlai and other non-vegetarian foods. Besides, a number of kiosks spread over the grounds would also offer refreshments.

A shopping complex comprising two bazars, viz. Anarkali and Meena are selling high quality goods at competitive prices. This is the only shopping complex in Delhi that is open upto 10 P.M. for the late night shopping. The shops in the Anarkali Bazar sell a variety of textiles, knitweaves, ready-made garments, electronic goods, leather goods, tribal artware, medicines, etc. Similarly the shops in the Meena Bazar run by various State emporia sell a wide variety of handloom products, handicrafts, brassware; goods of daily use etc.

Vol. X, No 51, Dec. 1981, 1981

Programme of Forthcoming Participations in Trade Fairs/Exhibitions Abroad

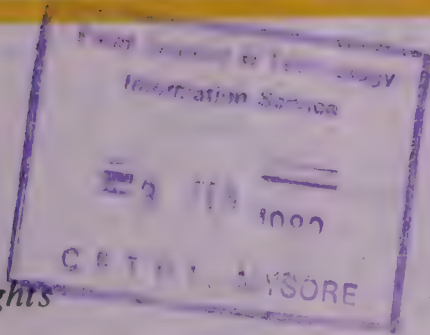
1. Khartoum International Trade Fair, (Sudan)	January 25-5 February, 1982
2. Indian Exhibition, Bahrain	February 1-10, 1982
3. Eastern Stoff Total Fashion Show, Osaka, (Japan)	February 4-9, 1982
4. Indian Exhibition, Nairobi, (Kenya)	March 12-21, 1982
5. Cairo International Fair, Cairo (Arab Republic of Egypt)	March 13-27, 1982
6. Indian Exhibition, (Algeria)	May, 1982
7. Indian Exhibition, Kuala Lumpur (Malaysia)	November, 1982
8. Indian Exhibition, London (UK)	November, 1982
9. Indian Exhibition, Mexico	May, 1983
10. Hannover International Fair, (FRG)	April, 1984

Programme of Forthcoming Specialised Commodity Fairs at Pragati Maidan

1. Handloom and Khadi Fair	December 22-31, 1981
2. Woollen Textiles and Knitwear Fair	December 22-31, 1981
3. Garments Fair	January 15-24, 1982
4. Carpet, Durees and Coir Fair	February 12-21, 1982
5. Furniture and Furnishings Fair	March 8-17, 1982

Further information can be obtained from the Manager (Exhibitions), Trade Fair Authority of India, Pragati Maidan, New Delhi-110001.

economic and commercial news



News Highlights

Export Performance and Potential

Promoting Indo-Tanzania Trade and Economic Cooperation

India has suggested to Tanzania a proposal for a joint venture project in the production of cashew in that country with buy-back arrangements. This was indicated to the visiting Tanzanian Minister of Trade, Mr. Ali S. Mchumo, when he called on Mr. Pranab Mukherjee, Union Minister for Commerce, Steel and Mines, at New Delhi recently. Mr. Mchumo said that the proposal could be looked into by the Indo-Tanzanian Joint Commission. Tanzanian Minister had come to India at the invitation of Mr. Pranab Mukherjee, specially to attend the India International Trade Fair, 1981 (IITF'81). Mr. Mchumo also went round the IITF'81 and held several meetings with the Indian exporters to identify areas of cooperation between the two countries.

Welcoming Mr. Mchumo, Mr. Mukherjee said that the visit of Tanzanian President earlier in the year gave a great fillip to bilateral cooperation between the two countries. He also expressed satisfaction at the outcome of the Joint Commission meeting which identified areas for greater cooperation between the two countries in the spirit of Arusha Declaration. He also gave an account of the technological development made by India and emphasised the suitability and competitiveness of Indian technology for participation in the projects funded from international sources.

Both the Ministers discussed the issue of joint venture projects between the two countries. It was noted that the National Small Industries Corporation

Indian Company Gets Iraqi Contract

The National Projects Construction Corporation (NPCC), a Government of India enterprise has secured a high-value contract of Al-Edawiah Land Reclamation and Irrigation Project in Iraq for executing irrigation and drainage system work. The estimated cost of the project is nearly Rs. 500 million. This contract has been bagged against stiff international competition.

Saudi Contract for DCI

The Dredging Corporation of India (DCI) has secured a contract to provide stevedoring services for two years at the port of Yanbu in Saudi Arabia. The contract is valued at Rs. 55.6 million. Operations at the port have since commenced following the execution of an earlier contract which earned the country Rs. 29.3 million in foreign exchange.

Technical Cooperation between India and France

The Union Minister of State for Science and Technology, Electronics and Environment, Mr. Chandra Pratap Narain Singh and Mr. Jean Pierre

Chevenement, French Minister for Research and Technology, agreed recently to further strengthen the existing bilateral cooperation in science and technology with particular reference to selected areas including lasers, electro-optics, bio-technology and energy. The on-going Indo-French projects cover a wide range of subjects from mathematics to ocean science technology.

Indo-Soviet Cooperation in Machine Building

Under a protocol signed recently, India and USSR have agreed to set up an Expert Group to go into the desirability of expanding and deepening ties in respect of Machine Building Plants in Ranchi, Durgapur and Hardwar and come up with concrete recommendations by the middle of next year.

had undertaken a project of setting up an industrial estate in Tanzania.

Mr. Mchumo offered to export tanned leather and sisal ropes to India. Mr. Mukherjee said that these suggestions would be looked into.

Mukherjee also urged Tanzania for direct export of raw diamonds and precious stones to India. The Tanzanian Minister said that this proposal was being considered.

Tanzanian delegation also visited Bangalore and Bombay before departing for Dar-es-Salaam. They visited HMT Machine Tools and watch factory and some of its ancillary industries in Bangalore.

India's exports to Tanzania increased steadily from Rs. 166.4 million in 1975-76 to Rs. 237.3 million in 1976-77 and Rs. 391.4 million in 1977-78. Thereafter they fell marginally to Rs. 361 million in 1978-79 and Rs. 312.4 million in 1979-80.

India's imports from Tanzania also increased from Rs. 240.3 million in 1975-76 to Rs. 476.6 million in 1976-77 and to Rs. 507.4 million in 1977-78. These, however, fell drastically to Rs. 198.5 million in 1978-79 but later increased to Rs. 321.1 million in 1979-80.

The share of India in the total imports and exports of Tanzania is 2.77 percent and 8.5 percent respectively. Till 1977-78, India had constantly an adverse balance of trade with Tanzania which was due to the bulk import of raw cashew from that country.

The major commodities in India's exports to Tanzania consist of cotton

textiles and piece goods, iron and steel, chemical goods, metal manufactures; electrical and other machinery, transport equipment. The major commodities in India's imports from Tanzania are mainly raw cashewnuts, cloves, sisal fibre, wattle extract, pearls and precious stones, copper. The greater portion of imports from Tanzania which is mainly responsible for the adverse balance, is accounted for by raw cashewnuts.

The prospects of trade expansion and economic cooperation between the two countries is processed on the basis of the Agreement drawn up by the Indo-Tanzania Joint Commission on Economic, Technical and Scientific Cooperation. Since Tanzania is a fast developing country, it has great potential for trade expansion. Besides, there are prospects of India's participation in the development of Tanzanian textile industry, sugar industry, small scale industry, pesticides industry, industrial estates, transport sector, pulp and paper industry, cashewnut farm development, road building activities, setting up of Tanzania Road Construction Corporation and Tanzania Road Research Institute, etc.

Handloom and Woollen Textiles Fairs Attracting Large Crowds

The two specialised commodity fairs, viz. Handloom and Khadi Fair as also the Woollen Textiles and Knitwears Fair, which are currently going on in Pragati Maidan, New Delhi are attracting large crowds. These Fairs have been organised by the Trade Fair Authority of India close on the heels of successful India International Trade Fair held recently.

Contents

Export Performance and Potential

Promoting Indo-Tanzania Trade and Economic Cooperation	1
Handloom and Woollen Textiles Fairs Attracting Large Crowds	2
India and GDR Conclude New Trade Protocol	3
Technical Cooperation between India and Bangladesh	4
India Offers to Help Afghanistan in Water Development	4
Greater Export Effort towards Developing Countries	5
India to Participate in International Furniture Fair	5
Growing Indo-Thai Trade Relations	6
Industrial Growth and Diversification	
Handloom Industry Forges Ahead	6
Progressive Growth of Indian Woollen Industry	8
Exchange Control Regulations Governing Exports	10

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this journal.

The product groups relating to handlooms, khadi, woollen textiles and knitwears have been chosen for exposure not only due to their great export potential, but keeping in view the large employment generation and promotion of small entrepreneurship that these industries are identified with. These sectors are also the pride of India's traditional workmanship, excellence and design. The traditional virtues adapted to the dictates of modernity have already enabled these industries to carve a position in the world commercial map. However, considerable communication gap about the achievements of Indian industry in these sectors keeps behind large untapped potential for their export trade. The purpose of the present fairs in depicting the range and supply capacity of the industries is to bring together the various manufacturing and trading interests concerned so that greater awareness of the export capacity of these industries is generated among the Indian and foreign visitors. Indeed even the domestic consumer is not fully aware of the tremendous strides registered by these industries in terms of product diversification and acceptability of the designs, patterns, colours and motifs used in the diversified range of their production.

These Fairs are housed in the Fair Pavilion occupying an area of over 3500 sq. mtrs. Besides Khadi and Village Industries Commission as also Wool and Woollens Export Promotion Council as many as 35 handloom organisations from different states are taking part in these Fairs which were inaugurated on December 22, by Mr. Ali Ahmed, a master weaver from Varanasi. It was thought fit that this privilege should be given to a person

who is closely connected with the profession rather than conducting the inauguration in formal way that is normal practice. This was done only to pinpoint that behind every successful attempt to sell or export, there is a craftman or a weaver or a worker in the backdrop, whose contribution is invaluable in taking forward every sector of Indian economy.

Besides the attractive display of a wide spectrum of concerned products, the most powerful attraction at the Fairs is the rebate to the extent of 20 per cent on handloom and khadi goods. This is acting as an added incentive to brisk sales by the participants.

Other attractions at Pragati Maidan are Energy Pavilion, Defence Pavilion, Nehru Museum, Crafts Museum in the Village Complex and Our India Pavilion which presents audio-visual programmes on 'Symphony of Industry', and 'Testament of Nehru'.

For the recreation of the visiting public, there are daily cultural shows by renowned artistes comprising dance, drama, plays, ballets, and solo performances, art and feature films as also skating rink, mini-train, magic and puppet shows.

Following these fairs, the Trade Fair Authority has plans to organize Garments Fair from January 14 to 24, 1982; a Carpet, Durees and Coir Fair from February 12 to 21, 1982 and a Furniture and Furnishings Fair from March 8 to 17, 1982.

India and GDR Conclude New Trade Protocol

The Indo-German Democratic Republic Trade Protocol for 1982, which

was concluded recently in New Delhi, envisages 23 percent growth in India's exports to GDR. The Protocol was signed by Mr. S.K. Sarkar, Joint Secretary in the Ministry of Commerce, on behalf of India, and Mr. H. Marx, Director General, Ministry of Foreign Trade, on behalf of GDR, in terms of Trade and Payments Agreement of December, 1980.

The Trade Protocol envisages a total turnover of approximately Rs. 2,600 million both-ways, which represents an increase of 15 percent over the provisions made for the Trade Protocol in 1981. Exports of GDR from India have increased by about Rs. 250 million i.e. 23 percent compared to Trade Plan provisions in 1981. Imports from GDR into India have also increased by more than Rs. 100 million.

Items of exports from India for which major increases have been agreed upon include textile machinery, machine tools, ossein, shoe uppers and leather goods, oilseed extractions, pepper and jute goods. For the first time, the Trade Plan has provided allocations for items like electronic components, sports goods, etc.

Exports from GDR, for which major increases have been provided, relate to items like steel products, printing machinery, machine tools, diesel generating sets, equipment for power stations, cinematographic films etc.

India's trade with German Democratic Republic, is conducted within the framework of a long-term Trade and Payments Agreement which provides for the settlement of all commercial and non-commercial transactions between India and GDR in non-

convertable Indian rupees. This is a balanced form of trading and imports and exports are expected to balance each other over a period of time. The current Trade and Payments Agreement with GDR was signed in December, 1980 and is valid upto December 31, 1985.

GDR has been an important trading partner of India from amongst the European countries. Since the signing of the first Trade Agreement with GDR in 1954, there has been a spectacular growth of India's trade with that country. It soared high from a modest level of Rs. 2 million in 1954 to Rs. 975 million in 1979.

Major items of India's exports to GDR have been mostly traditional like de-oiled groundnut cakes, other de-oiled cakes, hides and skins, tea, coffee, tobacco, iron ore and mica. However, during the recent years, several non-traditional items like engineering goods (such as machine tools, small hand tools, textile machines, automobile ancillaries, sanitary fittings), readymade garments, shoe uppers, finished leather, fruit juices and concentrates, tinned fish etc. have been added to export basket. GDR has, in fact, offered a very good market for Indian manufactures like shoes-uppers and cotton textiles. A breakthrough has already been made by exporting shoe-uppers, finished leather and leather products worth Rs. 205 million to GDR in 1980. Another important item in Indian export basket is iron ore. With the development of steel industry in GDR and development of India's own export capacity, iron ore has good export potential in GDR in the coming years.

The hard core of India's imports from GDR consists of potash fertilizers, cinematographic films, printing machinery, capital goods and equipment and chemicals and pharmaceuticals. In the past, India used to import printing machinery, rolled steel products etc. from GDR to a great extent but with the expansion of India's own industrial base and important requirements getting confined to sophisticated categories of machinery and equipment, her imports of some of these items have got reduced. However, she is still depending on GDR for the import of machine tools, precision tools, capital goods and equipment, diesel generating sets, and instruments and apparatuses for scientific and educational laboratories.

Technical Co-operation between India and Bangladesh

Government of India and the Government of the People's Republic of Bangladesh concluded recently memorandum of understanding on technical cooperation. Mr. M. Dubey, High Commissioner for India in Bangladesh and Mr. A.M.A. Muhith, Secretary, External Resources Division, Ministry of Finance, Government of the People's Republic of Bangladesh signed the memorandum on behalf of their respective governments.

The understanding is the first of its kind to be concluded between India and Bangladesh. Its primary objective is to facilitate and streamline the utilisation of technical assistance offered by India, to establish a mutually identified pipeline of viable projects, and to ensure that on-going programmes of technical cooperation are implemented satisfactorily through a process of government-to-government coordination, monitoring and review.

The need for the understanding was felt in the context of the offer made by the Government of India during the UNIDO sponsored solidarity meeting held in Dacca in December, 1980 to provide takas 10 million for technical assistance projects in Bangladesh. Progress in the utilization of these funds is already underway. Projects for technical assistance in key development sectors in Bangladesh have been identified and agreed to by both governments. On India's side, executing agencies have been located and work has already begun.

The memorandum of understanding is recognised by both governments as the starting point of a dynamic two-way process of cooperation on the basis of mutual benefit to both countries. The coordinating agencies responsible for the implementation of the understanding are the Ministry of External Resources Division, Ministry of Finance, Government of the People's Republic of Bangladesh.

India Offers to Help Afghanistan in Water Development

India has offered to assist Afghanistan in the development of her water resources and allied fields. The offer was made when Dr. Raz Mohammed Pakteen, Minister of Water and Power, Democratic Republic of Afghanistan called on Rao Birendra Singh, Union Minister of Agriculture, Rural Reconstruction, Irrigation and Civil Supplies and Mr. Z.R. Ansari, Minister of State for Irrigation recently in New Delhi.

Matters of mutual interest were discussed specially with regard to activities in the field of water resources development. Dr. Pakteen, who had visited

a number of projects in India during his stay and also attended the 'International Symposium on Water Conservation and Pollution Abatement' convened by Institution of Engineers, Roorkee, evinced keen interest in the expertise developed in this regard by India. He said that he was greatly impressed by the progress made by India in various fields and particularly the expertise in the design and construction of multi-purpose projects.

The Ministers assured Dr. Pakteen that India would be glad to assist Afghanistan in the development of her water resources and share India's experience in this field.

Greater Export Effort towards Developing Countries

Addressing the first session of a Workshop on Africa recently, Mr. Pranab Mukherjee, Union Minister of Commerce, Steel and Mines, stressed the need for giving greater attention to developing countries as far as country's export effort was concerned. He said that it was particularly necessary, in view of the serious constraints being faced by India following recessionary trends in the world market and protectionist tendencies being pursued by the developed countries.

The Minister observed that the African Continent had tremendous growth potential and almost unlimited economic opportunities and India possessed capacity to meet their requirements in the initial stages of their development in every way including equipment, machinery and most of engineering goods and variety of consumer items. He, however, felt that India's involvement so far had been only

marginal, stating that out of India's total global exports of about Rs. 67,000 million, the share of the African market was only around 5 percent. He was of the opinion that basket of commodities being exported to Africa also did not reflect the potential that existed for expansion of trade and urged the concerned agencies and associations to make concerted efforts to secure an effective dent in the African market.

He held that India had certain inherent advantages as regards these countries both geographically and emotionally. India was also a signatory to the Arusha Declaration, according to which, India was committed to the principles of self-reliance through economic and technical cooperation amongst developing countries. He felt that excellent relations existing between these countries and India need to be translated into economic and trade links on a lasting basis.

The Minister indicated that the technology that India had evolved as a developing country was eminently suited for these countries and no wonder they were turning more and more to India for filling up this gap. He asserted that India must respond to this situation quickly and adequately. Already, several joint ventures had been set up with India's participation. Sizable number of Indians were also settled in many of these countries, who could become very useful contacts for furthering the mutual interests of India and the concerned developing countries. The Minister, however, cautioned that in her efforts in the region, the country had to contend with vested interests, which were firmly entrenched there, as well

as so many new and powerful competitors who had emerged on the scene. He urged the exporters and industrialists to go forward with the very best that India could offer, so as to meet these challenges. Competitiveness both in quality and in prices was the only basis on which they could make any headway, he added.

Mr. Mukherjee pointed out that India had entered into a number of trade agreements with many of these countries recently, which had created the right climate for closer relationship. A significant step had been India's membership of the African Development Fund and African Development Bank. To further these efforts, he announced Government's decision to permit Engineering Export Promotion Council to open an office in Abidjan, which should facilitate India's association with more and more projects funded by the ADB. He said that Government had also decided for opening of a TDA office in Monrovia and to strengthen the office of State Trading Corporation of India.

India to Participate in International Furniture Fair

India will, for the first time, take part in the International Furniture Fair which opens at Cologne, West Germany, on January 19, next year. The participation of seven leading furniture and components manufacturers in the six-day fair is being organised by the Trade Development Authority. Three firms are from Delhi and one each from Bombay, Mysore, Cochin and Trivandrum.

As part of the drive to boost India's exports and to help Indian furniture

makers adopt designs that are popular in the West, the Trade Development Authority had earlier made available to the firms the services of a British furniture expert. The furniture pieces manufactured in accordance with the designs and specifications given by him will be on display at the Cologne Fair. The furniture factories were visited by the expert thrice on various occasions to render technical guidance to the manufacturers.

The products that will be on display are: chairs, tables, decorative wall panels, parquet floor tiles, acoustic tiles, bathroom fittings, wood mouldings, living room sets, dining room sets, bedroom sets and trays. Some of the specially manufactured furniture pieces will be in completely knocked-down condition and can be re-assembled.

Indian furniture and components have slowly shown an upward export trend. Their export rose to Rs. 16.10 million in 1978-79 from Rs. 10.10 million in 1976-77. In 1979-80, the export of furniture including steel and wooden furniture was of the value of Rs. 45 million.

Growing Indo-Thai Trade Relations

According to preliminary statistics of Indo-Thai Trade of the Department of Business Economics, India's exports to Thailand rose from Baht 423 million in January-June, 1980 to Baht 814 million in the corresponding period of 1981, thus marking a rise of Baht 391 or 92.43 percent. India's imports from Thailand during the period also increased from Baht 200 to Baht 451

million that is by 251 million Baht or 125.5 percent this year vis-a-vis last year. This is revealed in a commercial report of the Embassy of India in Bangkok.

The main items constituting India's exports to Thailand during this period were: groundnut and soyabean cakes, raw cotton and cotton fabrics, emery and other natural abrasives, inorganic chemicals, pharmaceutical formulations, synthetic tanning and dyeing substances, precious and semi-precious stones, iron and steel goods, hand tools, pumps, engines, machinery, electrical generators, motors etc. and bicycle spare parts. As compared to the same period last year, there were increases in Thai imports of groundnut and soyabean cakes, cotton, precious and semi-precious stones, iron and steel goods, engines, machinery and spares thereof from India. Reductions were seen in respect of in-organic chemicals, pharmaceutical formulations, synthetic tanning substances and organic dyestuffs, electrical equipment and bicycles and bicycle parts.

As regards India's imports from Thailand during the period, the main items were mung and black matpe beans, white rice and rice par-boiled, lead ore, tungsten ore, ash and residues containing metals, carbon black, cashew nuts, rubber smoked sheets, yarn and fibres made of polyester, nylon and rayon. Rice was not imported by India from Thailand last year. Significant increases were noticed in respect of metallic ores, ash and residues, carbon black, rubber sheets, yarn of polyester, nylon and rayon. There was a decline in respect of beans.

Industrial Growth and Diversification

Handloom Industry Forges Ahead

The handloom industry in India is the oldest and the biggest cottage industry constituting a vital sector of the village economy next only to agriculture. It has a long tradition of excellence and unrivalled craftsmanship. For over 2,000 years, India has enjoyed the position of preeminence as a producer of textiles. It not only met the entire cloth requirements of the country but also exported its finest textiles to countries far and wide. Some of the traditional Indian textiles, known for their excellence of texture, colour and beauty, were ruling the world markets. Fabrics like Dacca Muslin, Kalamkaris of Masulipatnam, Brocades of Gujarat, Ikat fabrics of Orissa, Himroos of Aurangabad are some of the names which every one is familiar and which represent but a few of the many rich traditional varieties for which India has been famous for centuries.

Though the machine age sounded the death-knell to Indian excellence in the cotton world, the handloom industry has displayed innate resilience and has survived the onslaught it had to receive from the more efficiently organised mill industry and the decentralised powerloom industry. The handloom industry has passed through many vicissitudes in its long chequered career and has managed to survive and has been playing its ever-increasing role in the national economy.

The handloom industry has a material impact on the prospects of growth. Successive Five Year Plans have also

laid considerable emphasis on the increasing development of this industry and various measures have been implemented. As against Rs. 122 million allotted in the First Plan, a sum of Rs. 1,200 million have been provided in the Sixth Plan (1980-85) for the allround development of the handloom sector. Its role can be better appreciated when we consider its employment potential and its contribution in meeting the cloth needs of the country. The number of handlooms is estimated to be over 3.8 million scattered over the entire length and breadth of the country.

The handloom industry is predominantly a rural activity. It provides direct and indirect employment, especially in rural and tribal areas on a scale next only to agriculture and is a principal means of livelihood of some of country's most economically backward communities. It is estimated that the industry provides direct employment to over 10 million people in weaving and other associated activities; whereas the entire organised textile industry with about 700 mills put together, provides employment to hardly 1 million people.

The current handloom production in the country is valued at about Rs. 12,000 million of which about Rs. 2,500 million is produced in the cooperative sector. To meet the clothing needs of the masses, it is targeted to increase the production from the current figure of about 2,900 million metres to 4,100 million metres by the Sixth Plan period. The demand for textiles in 1984-85 is estimated at 13,300 million metres and the handloom sector will be developed to contribute 4,100 million metres. Thus,

about 30 percent of the total needs of textiles will be met by the handloom sector.

The contribution of handloom sector to the foreign exchange earnings is also considerable. The handloom fabrics symbolise the best traditions of India's ancient culture and they have an irresistible appeal to the most sophisticated in the advanced nations. Handloom products are exported to 130 countries all over the world. Two decades ago, in 1960, handloom goods exports stood at Rs. 50 million. In 1979-80, exports reached a staggering figure of Rs. 3,100 million.

Realising the importance of the handloom industry in the economy of the country, the Government of India in the Textile Policy announced in Parliament on August 7, 1978, assigned a major role to it in the matter of production of cloth including the production of cheap cloth for the weaker sections of the society. The main objective under this handloom development programme was to provide steady and sustained employment to a sector which is characterised by periods of idleness and low income. The base of production was to be enlarged by activating the existing looms throughout the country and also diversifying the production. In order to provide support and assistance to the weavers in design and technology twenty-three weavers' service centres and two Institutes of Handloom Technology one at Varanasi in Uttar Pradesh and the other at Salem in Tamil Nadu have been set up.

The Development Commissioner for Handloom s as well as the State Governments alongwith other institu-

tions have jointly undertaken a massive programme of revitalisation and rehabilitation of the handloom sector. The highlights of the new development programmes are; (i) modernisation of looms (ii) training of weavers in improved techniques; (iii) development of co-operatives at covering 60 percent of the weavers by the end of Sixth Plan; (iv) assistance to weavers outside cooperatives through Handloom Development Corporations. (As many as 25 Intensive Development Projects and 21 Export Production Projects have been set up); (v) strengthening of primary and apex cooperative institutions for production and marketing; (vi) production of janata sarees and dhoties for weaker sections; (vii) expansion of sales outlets; (viii) setting up pre-loom and post-loom processings facilities; (ix) substantial expansion of credit through Reserve Bank of India Scheme of Handloom Finance and through commercial banks; (x) special assistance through National Cooperative Development Corporation for augmenting spinning capacity, marketing and processing by cooperative institutions; (xi) programmes for augmenting supplies, improving quality and better distribution of yarns, dyes chemicals; (xii) diversifying production base and increasing the use of multi-fibres; (xiii) research and development through strengthening and expansion of Indian Institutes of Handloom Technology and Weavers' Service Centres; (xiv) augmenting production base for exports and (xv) publicity programmes—including fairs and exhibitions—for promoting consumer preference for handloom products. It is hoped that with the implementation of these and other schemes and activities, the handloom industry will find a strong foot-hold in the country.

With a view to saving the weavers from exploitation, it has been generally accepted as a policy that the cooperative framework is the best form of organisation for a decentralised industry like the handloom. At present about 30 percent of the looms in the country are covered by the cooperatives. Action has been initiated for revitalising the dormant cooperative societies and for forming new ones. To enable handloom products to compete with those of the powerlooms and for bringing about technical and authentic betterment, a scheme for extension of processing facilities is under operation. Handloom weavers outside the cooperative fold are also assisted through the State Handloom Development Corporations.

Besides the Central Government, the National Cooperative Development Corporation has come in a big way since 1976-77 to provide financial assistance by way of loans and subsidy for the development of handloom cooperatives.

Marketing along with input supplies are the most fundamental problems confronting handloom weavers. Till recently, marketing of handloom goods was almost exclusively in the hands of private traders and master weavers. They were getting only meagre wages while the lion's share was pocketed by the traders. With the cooperation of weavers more and more weavers societies and handloom corporations have entered the field of handloom marketing. A number of measures have been initiated to build up a sound marketing infrastructure and to promote greater consumer demand for handloom goods.

The Government is providing share capital assistance to the apex societies and handloom development corporations in the states for undertaking of handloom products of the primary weavers societies and weavers outside the cooperative fold. A provision of Rs. 450 million has been made for the current financial year (to be matched by an equal amount by the State Governments).

To make the handloom fabrics more acceptable, State Governments are being given central assistance for setting up pre-loom, loom and post-loom precessing facilities. During the current financial year, a sum of Rs. 2.0 million has been earmarked for this purpose.

To protect the handloom goods from unfair competition from power loom and mills products, the Government have also reserved 11 items exclusively for the handloom sector.

The very fact that India's handloom exports have exceeded Rs. 3,000 million annually, shows that these products are popular the world over. In order to boost sales and promote awareness of improved products from handlooms, a series of national-level exhibitions are conducted throughout the country. Organisation of fairs and exhibitions, from time to time, is an important element in the programme of bringing handloom product to the consumer's attention.

Progressive Growth of Indian Woollen Industry*

The establishment of the Indian woollen industry on an organised

basis is essentially a development of the inter-war years. Prior to that period, the manufacture of woollen goods—rough blankets, coarse fabrics and knitted hosiery goods—was carried on as a cottage industry in areas of North India, particularly the then Punjab and United Provinces, now Uttar Pradesh. During the inter-war years, a few woollen mills were established to undertake manufacture of woollen goods—yarns and fabrics on an organised basis and by employing machines for spinning and weaving operations. The mills, however, mainly manufactured the materials required by the defence forces and the uniform clothes used by public bodies like the railways, the post and telegraph department etc. A few varieties of cheap rugs, shawls, tweeds, flannels, serges etc. were also manufactured, principally to meet the needs of the common man during the winter season. The out-break of World War II in 1939 came to the rescue of the tottering Indian woollen industry. The demand for woollen goods for military and para-military forces increased considerably and the industry could work up to its full installed capacity. All the units of the industry earned profits unheard of before and this bonanza not only restored the financial stability of the Indian woollen industry but also gave it courage and confidence to face the future.

The industry achieved miraculous expansion during the last three decades. From few units in 1950 the industry has progressed to possess more than 1100 mills. The present

* (By J.L. Oswal Chairman, Wool and Woollens Export Promotion Council.)

capacity of the industry in different categories is as follows.

No. of woollen spindles	1,35,300
No. of worsted spindles	2,20,772
No. of shoddy spindles	42,918
No. of semi-worsted spindles	1,804
No. of union spindles	4,672
No. of combers	22
Combing capacity	54.5
	Million lbs
No. of hosiery units	3,000

Up to 1960 only the raw-wool and hand-knotted carpets accounted for India's total exports of woollen items. During 1959-60 the total exports were Rs. 176 million, Raw wool accounted for Rs. 111.0 million, carpets Rs. 491 million, woollen fabrics Rs. 6.1 million and woollen hosiery only Rs. 1.5 million. Of late there has been considerable shift in favour of manufactured products especially knitwears. The detailed breakup of woollen items exported during the last five years has been indicated in the table given below. These figures show that the woollen knitwears industry has registered a spectacular growth rate. This unprecedented growth has been achieved because export of woollen

knitwears to the USSR is Rs. 500 million accounting for about 90 percent of India's total exports of woollen knitwears. The USSR has been a very dependable and steady customer and has progressively increased the intake of woollen knitwears from India. The buyers of Indian woollen knitwears in the USSR are very appreciative of the quality and design of Indian woollen knitwear and this is indicative of the vast export potential that Indian woollen knitwears have in the USSR market. The USSR designers have been very helpful in suggesting new designs with the result that during the last few years designs, quality and texture of Indian woollen knitwears have considerably improved.

The manufacturing units are trying their utmost to maintain quality and adopt new fashions and colour combinations. The government has provided many liberal facilities such as expansion of capacity, export-oriented import policy and duty exemption scheme for import of raw-material. International institution like the International Trade Centre has extended a helping hand by providing

financial assistance for market orientation tours. The International Wool Secretariat is constantly providing the feedback to the industry about the latest development in production techniques as well as in fashion. The Wool and Woollens Export Promotion Council (WWEPC)—the apex body of woollen exporting community—is taking a number of steps to boost up the country's exports of woollen items. The Council during this calendar year has sent a number of sales teams abroad. The Council's market orientation team, sponsored by International Trade Centre which visited Sweden, Norway, Denmark and Finland, has been able to achieve a big break-through in these countries.

A team of WWEPC member exporters are at present visiting West European countries under the buyer-seller meet programme which has been organised with the collaboration of India Trade Centre, Brussels and the IWS Communication have been received that exporters have secured sizable orders and indications for longterm booking of their capacities. The WWEPC participation in overseas fairs during this year such as National Fashion Boutique Show, New York; Indian Trade Exhibition, Jeddah and Ghent Fair indicates that overseas buyers are now finding that Indian woollen products can match their requirements. The blankets manufacturing units have received big orders and appreciations from developing countries, namely, Uganda, Bangladesh and Middle East countries.

Keeping all the factors in view, it is felt that the woollen industry shall be achieving new horizons provided certain constraints are removed and

Item	(Rs. 00,000)				
	1976-77	1977-78	1978-79	1979-80	1980-81
Raw-wool	654	60	15.77	8.96	3.00
Yarn	14	3	19.60	14.98	4.58
Fabrics	220	164	262.17	321.97	290.58
Garments	190	126	233.33	272.12	131.64
Knitwears	3294	3031	2517.37	3701.37	6500.00
Blankets	343	497	519.34	345.84	700.00
Shawls and scarves	206	193	220.76	256.44	82.14
Hair-beltng	48	—	4.33	—	8.00

schemes are implemented. There is every justification to remove the import duty atleast against REP entitlement to enable Indian exporters to become competitive and hence increase their exports. The woollen industry requires immediately infrastructure facilities for rapid expansion. The IDBI soft loan at concessional rates of interest would go a long way to help small-scale units which contribute more than 90 percent in exports to establish themselves on firm footing. There is also a need to reduce substantially the customs duty on import of machinery.

Exchange Control Regulations Governing Exports

The Reserve Bank of India has been impressing upon the commercial banks the need for expediting extension of credit to exporters and providing all possible ancillary services to them. The exchange control regulations as applicable to exports are highlighted here.

Exporter's Code Number : Any person/firm/company engaged or proposing to engage in export business has to obtain a code number from the Reserve Bank. Applications for this purpose should be made by the head office of exporter in from CNX in duplicate, which can be had from the Reserve Bank of India or from any bank authorised to deal in foreign exchange. The head office as well as branches of the exporter should invariably cite the code number allotted on the forms used for declaration of exports. Forms which do not bear the exporter's code number are not entertained by the Customs authorities.

Prescribed Form : All exports have to be declared in prescribed form. The relevant forms are GR 1, EP, PP and

VP/COD which are made available by the Reserve Bank to banks for supply to their customers. Details regarding these forms are given at the end of the article.

Realisation of Export Proceeds : All shipping documents should be submitted by exporters to their bankers for negotiation or collection within 21 days from the date of shipment. This is to ensure that titles to goods do not pass on to overseas buyers until payments are made or the buyers accept liability to pay by accepting the relative drafts (bills of exchange). In terms of the Foreign Exchange Regulation Rules, 1975, the full export proceeds have to be realised within six months from the date of shipment, the period being three months in the case of exports to Afghanistan and Pakistan. However, in the case of heavy engineering goods, turnkey projects and construction contracts, export proceeds are permitted to be received beyond this time limit under a separate Scheme drawn up by the Reserve Bank. All payments must be received through banking channels. After the individual earnings of foreign exchange through sales of goods are surrendered to banks, exporters will get rupee funds from their banks at appropriate rates of conversion. Settlement of all payments (commercial and non-commercial) has to be as follows :

Nepal and Bhutan : Payments can be received in rupees without the prior approval of Reserve Bank and the usual GR 1 procedure is not applicable.

Bilateral Group (USSR, Romania, Poland, East Germany and Czechoslovakia) : All payments have to be settled only in rupees through non-

convertible rupee accounts of banks from the respective countries. The currency to be used for contracting and invoicing purposes is governed by the provisions of the agreements with the countries concerned.

External Group (all other countries) : Exporters are free to choose any currency for purposes of contracting, but payment must be received in one of the 20 "permitted currencies" (such as US dollar, pound sterling, Deutsche marks, Swiss and French francs and Japanese yen). Apart from these currencies, payment can be received in other currencies also provided the banks in the countries concerned are freely permitted to convert the balances held in their books on behalf of Indian banks dealing in foreign exchange into any of the 20 permitted currencies and a fairly active markets exists for dealing in the currency against other permitted currencies. In addition to this, payment can also be received in rupees from the convertible rupee account of any bank situated in any External Group country.

An export bill drawn on DP basis originally may subsequently be substituted by a DA bill, provided the maturity of the DA bill falls within the prescribed period (as referred to above) from the date of shipment, the overseas buyer has agreed to pay interest for usance period and the floor price regulations, if applicable, are satisfied. In cases where the original buyer/consignee does not accept documents/goods when they reach the country of destination, an exporter may locate an alternate buyer abroad and transfer documents/goods to him, provided the goods are sold to the new party on the same terms and conditions on which they were initially sold, no reduction in value is involved,

and the prescribed period for realisation of export proceeds is not extended in any way. The full export value as declared on GR 1 form and accepted by Customs must be realised by the exporter. However, if a reduction in bill amount is considered absolutely necessary due to circumstances beyond the control of exporter, he may submit the necessary application through his banker to the concerned Regional Office of the Reserve Bank (Exchange Control Department) duly supported by suitable documentary evidence. Such applications are considered on merits.

In some lines of trade, there is a practice to give discount to buyers by way of reduction in invoice value. The banks accept such reduction provided the discount has been declared on GR 1/EP forms and accepted by Customs. The percentage/quantum of discount should not be disproportionately high as compared to the net realisable FOB value. In the case of post parcels, banks can accept deduction on account of discount upto five percent except in the case of books, periodicals, drugs and medicines where a discount of upto 25 percent is allowed. All other cases are required to be referred to the Reserve Bank.

Occasionally exporters may have to allow deductions on account of late shipment penalty as provided for in the contract or compensation for quality difference which becomes known as a result of sample analysis done at the buyers' end. Banks can allow such deduction if they are supported by documentary evidence and are in terms of the relative contracts. If the deduction is more than five percent of invoice value, a report together with copies of relative contract, analysis report, etc., is to be sent to the

concerned office of the Reserve Bank after negotiation of documents. Banks can accept deductions upto five percent of invoice value provided it is in conformity with trade practice and an undertaking has been obtained from the exporter to repatriate the balance proceeds within the statutory period.

Air Freight Consignments : Airway bills are not documents of title to goods as they are non-negotiable. A consignee can take delivery of goods against indemnity bond executed with the concerned airlines without having paid the value or accepted the relative draft (bill of exchange). Exporters are advised to book air freight consignments to overseas correspondents of their bankers with instructions to deliver consignments to buyers against payment or acceptance of bills of exchange. No risk is involved in booking air freight consignments to buyers directly, if an advance payment covering the full export value has already been received or an irrevocable letter of credit for export value has been opened by the buyer in favour of exporter. A few freight agencies have got the permission of Reserve Bank to act as consolidating cargo agents. Exporters are advised to send the air cargo under consolidation, since the freight charges payable by exporters under the arrangement would be comparatively lower.

Reimport : There is no objection to an exporter arranging for reimport of goods which were originally exported from India but not accepted by buyer/consignee provided the payment of freight charges on such reimport is made in India in Indian rupees. The exchange control copy of Customs bill of entry/post parcel wrappers evidencing reimport of goods into India

should be produced to the bank concerned.

Exchange is released by the Reserve Bank to exporter-firms/companies for deputing their representatives to visit foreign countries on exports promotion grounds, to contact buyers, to canvass and book export orders, etc. Blanket exchange permits are also issued to large sized exporters (with annual export earnings of Rs. 500,000 million or more from goods in select list and Rs. 2.5 million or more from other goods) for deputing their representatives to foreign countries on export promotion grounds at short notice without having to approach the Reserve Bank on each occasion. Exchange is released to exporters for participating in exhibitions and trade fairs abroad, on the basis of the recommendations made by the Trade Fair Authority of India/Trade Development Authority in New Delhi. The exporters are permitted to send their goods to these exhibitions/fairs as exhibits.

Exporters may appoint selling agents abroad on commission basis for canvassing and booking export orders. Remittance of commission requires the prior permission of Reserve Bank. Exporters may have the 'Selling Agency Agreement' registered with Reserve Bank and obtain registration certificates. This will enable them to remit the commission to their overseas selling agents as and when it falls due, without having to approach Reserve Bank on each occasion.

Exporters are allowed to send trade samples free of charge to prospective buyers or their agents for demonstration purposes and canvassing orders; the samples are exempted from GR 1 procedure. They can send calendars, diaries, ball pens or other similar give-

always upto a reasonable value with the Reserve Bank's prior approval. Further, amounts upto a reasonable limit can be remitted for advertisements in newspapers, radio, etc., abroad.

Export Guarantees and Other Facilities : Bid bond guarantee, performance guarantee, etc., are provided to exporters by banks. Pre-shipment and post-shipment credits are granted to exporters by banks subject to certain terms and conditions laid down by the Reserve Bank (Industrial Credit Department). Forward exchange faci-

lities, too, are available to exporters from banks. Forward cover is granted by banks only against genuine export contracts and can be booked against shipments to be made or already made subject to fulfilment of certain conditions. Banks are expected to take counter-cover against the forward exchange contracts booked by exporters in the inter-bank market in India before "going abroad" for this purpose. The Reserve Bank also extends the facility of counter-cover to bank in respect of export contracts in four major currencies—pound sterling, US dollars, Deutsche marks and Japanese

yen. Banks issue certificates and attest invoices wherever required to enable exporters to submit the same to Import Trade Control Authorities for obtaining import replenishment licences and cash incentives from Government against export of certain specified commodities. They also register export contracts wherever necessary to enable exporters to obtain import replenishment licences and other benefits as were permissible on the dates of contracts with overseas buyers.

(Source : June 1981 Issue of RBI's Credit Information Review)

Programme of Forthcoming Participations in Trade Fairs/Exhibitions Abroad

1. Khartoum International Trade Fair, (Sudan)	January 25-5 February, 1982
2. Indian Exhibition, Bahrain	February 1-10, 1982
3. Eastern Stoff Total Fashion Show, Osaka, (Japan)	February 4-9, 1982
4. Indian Exhibition, Nairobi, (Kenya)	March 12-21, 1982
5. Cairo International Fair, Cairo (Arab Republic of Egypt)	March 13-27, 1982
6. Indian Exhibition, Algiers (Algeria)	May, 1982
7. Indian Exhibition, Kuala Lumpur (Malaysia)	November, 1982
8. Indian Exhibition, London (UK)	November, 1982
9. Indian Exhibition, Mexico	May, 1983
10. Hannover International Fair, (FRG)	April, 1984

Programme of Forthcoming Specialised Commodity Fairs at Pragati Maidan

1. Handloom and Khadi Fair	December ,22-31, 1981
2. Woollen Textiles and Knitwear Fair	December 22-31, 1981
3. Garments Fair	January 15-24, 1982
4. Carpet, Durees and Coir Fair	February 12-21, 1982
5. Furniture and Furnishings Fair	March 8-17, 1982

Further information can be obtained from the Manager (Exhibitions), Trade Fair Authority of India, Pragati Maidan, New Delhi-110001.

